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Report on the Results of the Global Accounting Education Benchmarking Pilot Project

**Promoting Regional Integration, Transparency and
Accountability by Supporting the Development of the
Accountancy Profession**

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“A financial reporting system supported by strong governance, high quality standards, and sound regulatory frameworks is key to economic development.”¹

1.0 EXECUTIVE SUMMARY

1.1 INTRODUCTION

Globalization is forcing more countries to open their door to foreign investment. As cross border trade becomes the life blood of many businesses, both the public and private sectors are recognizing the benefits of having a commonly understood financial reporting framework supported by strong worldwide acceptance of a common framework of financial reporting standards and standards for auditing. The benefits of a global financial reporting framework are many and include:

- Comparability of financial information for investors and other stakeholders.
- Increased willingness on the part of investors to invest across borders.
- Lower cost for equity capital and borrowing.
- Higher economic growth and less poverty.

It is with these benefits in mind, that the Global Accounting Education Benchmarking pilot project was launched.

1.2 GLOBAL ACCOUNTING EDUCATION BENCHMARKING (GAEB) OBJECTIVE

The Global Accountancy Education Benchmarking (GAEB) pilot project objective is to increase transparency and accountability in transition and developing countries by supporting the development of the accountancy profession. Working with professional accountancy bodies in the Balkans, a quantitative assessment tool was developed that measures how well an accountancy body prepares its members to possess both the capability and competency required by international standards.

The results of the GAEB initiative identify urgent and critical gaps in compliance with international standards. Working with international standard setters, donors, and other stakeholders to close these gaps will contribute to regional and global economic integration, increased trade and investment, better access to risk-based credit, and increased public and private sector confidence and trust in the accountancy profession and in the reliability and comparability of financial reporting and auditing.

¹ “Challenges and Successes in Implementing International Standards: Achieving Convergence to IFRSs and ISAs” by Peter Wong; September 2004.

1.3 GAEB METHODOLOGY

The GAEB methodological approach is innovative in the following elements of its construction.

- The depth of the inquiries into compliance with qualification requirements, content of formal education and training, assessment of capabilities and competency and application of technical, personal and ethical skills of the accountancy profession.
- Benchmarking of accountancy development, quantitatively and qualitatively, in transition and developing countries based on international professional standards and classification.
- Use of development indicators to identify priorities for future development and need for external support.
- Effective combination of self-assessment and external validation.
- Regional and country application.
- Global comparability and progress measurement over time.

Selecting professional accountancy bodies from the Balkan countries provides an excellent benchmark sample to test its validity and transferability to other regions in the world.

International Federation of Accountant's (IFAC) International Education Standards for Professional Accountants serve as the framework for the methodology. Capabilities and competency are at the core of this framework. Capabilities are the professional knowledge; professional skills; and professional values, ethics and attitudes required to demonstrate competence. The possession of capabilities gives an indication that an individual has the ability to perform competently in the work place. This can be expressed as learning outcomes. Competence is being able to perform a work role to a defined standard, with reference to real working environments. Competence refers to actually performing the required tasks. This can be expressed as performance outcomes.

A self-assessment instrument promotes participatory evaluation of the present position of the participating countries and of the necessary steps towards an international compatible structure. External validation contributes to comparability and reliability. The use of development indicators makes it possible to identify priorities both on consolidated and detailed levels and to measure progress for the relevant indicators through time. Implementing this methodology involved multiple stages.

1.4 GAEB RESULTS

The following professional bodies participated in this GAEB pilot project².

1.4.1 Table of Participating Professional Bodies

Country	Professional Body
Albania	IEKA - Albanian Institute of Authorized Chartered Auditors
Bosnia & Herzegovina	AAARS - Association of Accountants and Auditors In the Republika Srpska ³
Bulgaria	ICPA - Institute of Certified Public Accountants in Bulgaria
Kosovo	SCAAK - Society of Certified Accountants and Auditors of Kosovo
Macedonia	AAFA - Association of Accountants, Financial Workers and Auditors of the Republic of Macedonia
Moldova	ACAP - Association of Professional Accountants and Auditors of the Republic of Moldova
Montenegro	IRRCG - Institute of the Association of Accountants of Montenegro
Romania	CAFR - Chamber of Auditors in Romania
Romania	CECCAR – Body of Expert and Licensed Accountants of Romania
Serbia	SRRS - Serbian Association of Accountants and Auditors

² The Croatian Association of Accountants and Financial Experts in Croatia decided not to participate.

³ The Union of Accountants and Auditors of the Federation of Bosnia and Herzegovina (UAAF BiH) was recently established. As a result it was too early to participate.

These professional accountancy bodies are faced with an enormous challenge of implementing International Financial Reporting Standards (formerly International Accounting Standards IAS), International Standards in Auditing, International Education Standards, and EU regulations. However, they are working together through the South Eastern European Partnership on Accountancy Development (SEEPAD) and twelve accountancy bodies to meet this challenge.

The GAEB project team is impressed with the progress that has been accomplished with limited resources by SEEPAD and several of its member professional bodies. This progress can be the basis for the major effort that still is necessary to achieve substantial and eventually full compliance with IFAC and other relevant international standards. The work ahead is challenging but necessary and well worth undertaking to achieve regional harmonization and integration, international and regional linkages, and substantial deepening of the accountancy profession and supporting institutions.

This benchmarking initiative highlighted progress in improving financial transparency. Accounting and Auditing laws, rules and regulations have been passed by parliaments; professional bodies are operating with a membership base that provides for economies of scale; and recognition as members or association members of IFAC have been given to ten of the professional bodies.

Based on the benchmark information for each professional body their relative position within SEEPAD was analyzed. When all ten participating professional bodies were compared with five competency components, compliance gaps as high as 55% indicates serious implementation and capacity issues. The following findings, by competency component, suggest urgent or critical deficiencies requiring external expertise and resources:

Professional Characteristics:

- International recognition of the professional qualifications of accountants and auditors in the Region is urgently needed. With most members aspiring to be members of the European Union, recognition of qualifications across borders is paramount. Member bodies' assessment procedures of qualifications together with examination infrastructure require improvement.
- Lifelong learning (Continuing Professional Development) programs have serious needs because of the lack of qualified trainers, course content and finding a balance between theory and practice.

Education and Training (covers education and training systems at both universities and professional body):

- In general, when viewed from a systemic approach, resources allocated to or priorities given to teaching or training in organizational and business knowledge, information technology, skills, values, ethics and practical

experience is inadequate. For example, hardware for teaching or training laboratories and audit software tools is almost non-existent.

- Practical experience requires mentoring by qualified professionals in a suitable business environment. Most programs lack sufficient numbers of qualified professionals who can provide both the time to mentor and meaningful "on the job" training.

Accounting, Finance & Related Knowledge (covers content for core accounting education):

- Core accounting education and training, at either university or professional body, is weak in the critical areas of management accounting and controls, audit and assurance, professional values and ethics, and financial accounting and reporting.

"Transparency is fundamental to good governance and an essential starting point ... It is one critical ingredient in a system of oversight, accountability and sanction. It reduces the potential for waste, mismanagement, and corruption; . . . "

Wolfensohn; London Conference on the Extractive Industries Transparency Initiative (EITI)

Organizational & Business Knowledge (covers content for core business education):

- Core business education is not provided in sufficient depth in corporate governance, financial markets, organizational behavior, international business and globalization, and management and strategic decision-making and skills, values, business ethics and attitudes.

Skills, Values, Ethics & Attitudes (development of skills and attitudes from professional education and practical training):

- Practical training in ethics, professional education in ethics and technical and functional skills for accountants and auditors to competently perform assigned tasks needs strengthening. Ethics and values are covered superficially. Strong linkages need to be developed to the universities, continuing professional development programs and practical experience in order to deepen ethics and values into day-to-day business practices.

2.0 PROJECT DESCRIPTION AND BACKGROUND

The Global Accountancy Education Benchmarking (GAEB) initiative supports important objectives of the OECD Principles of Corporate Governance (e.g. transparency and disclosure) and the United Nations Convention against Corruption (e.g. preventive measures covering private sector financial transactions, books and records, and accounting standards).

“... an environment characterized by relatively low Transparency is more vulnerable to corruption than one characterized by relatively high Transparency, and conversely, greater Transparency improves the enabling environment for integrity.”

TAPEE, An Analytical Framework for Combating Corruption & Promoting Integrity in The Europe & Eurasia Region— USAID, August 2005

The GAEB initiative accelerates development of the accountancy profession and supporting regional and member institutions as well as region-wide harmonization of financial reporting and professional standards based on global benchmarks.

The GAEB initiative is founded on international standards and best practices derived from sources such as International Financial Reporting Standards (promulgated by the International Accounting Standards Board), IFAC Statements of Membership Obligations (promulgated by the International Federation of Accountants), European Union (EU) Directives, and the revised OECD Principles of Corporate Governance.⁴ This initiative aims to accelerate the development of the relatively underdeveloped accountancy profession and supporting institutions in transition and developing countries. The GAEB initiative employs a regional approach to accomplishing its overall harmonization and institutional development objectives (as distinguished from a series of isolated bilateral projects). The GAEB initiative links, cooperates with, and works with or through international and regional institutions such as IFAC and SEEPAD, and its member professional bodies for accountants and auditors.

This initiative provides a regional benchmarking methodology that is transferable throughout the world. Designed from an institutional development perspective, the pilot version of the GAEB methodology identifies strengths and weaknesses in legal, regulatory and institutional frameworks covering the professional qualification, education and training of accountants and auditors.

Application of the GAEB methodology produces quantitative and qualitative results instrumental for setting the development priorities that must be addressed to strengthen the accountancy profession from an institutional, legal, regulatory, and professional development perspective. Because the GAEB methodology is specifically designed for development purposes, it can be used to benchmark and monitor regional and country progress in transition and developing countries. By employing a multi-dimensional modular approach, the GAEB methodology identifies

⁴ Recent international developments include the IFAC International Education Standards that are mandatory from 2005 and expected changes in the EU 8th Directive.

regional leaders in critical areas of professional development as well as region-wide and country-specific deficiencies calling for donor technical assistance and support.

Moreover, the GAEB approach to the development and application of its innovative methodology creates new and reinforces existing linkages between and among international standard setters and assessors, regional institutions, national professional bodies, and donors in the development community. The GAEB initiative provides a common frame of reference for donor coordination and the design and implementation of bilateral as well as regional projects.

2.1 INNOVATIVE BENCHMARKING TOOL

The GAEB methodological approach is innovative with its focus on institutional development use, depth of analysis into professional qualifications, education and assessment of capabilities and competencies, its regional approach and global comparability.

The results of a major predecessor Global Accountancy Education (GAE) research project strengthened the GAEB initiative. Research into the global development of accountancy education took place at the European Institute for Advanced Studies in Management, in cooperation with the International Association for Accounting Education and Research, major professional bodies and international accountancy firms, the IFAC Education Committee and international organizations, including the International Accounting Standards Board. Taking the results of this research into account, the GAEB initiative identified the relevant indicators for benchmarking regional progress in accountancy development in transition and developing countries.

" A distinction is made between developed market economy countries, countries in transition from a planned economy to a market economy and emerging countries with developing economies."

*The Impact of Globalization on Accountancy Education
by Dr. Gert Karreman;
December 2002*

The initial GAE study includes a comparative analysis of the international benchmarks on professional education, training and certification, including IFAC and EU requirements. This is followed in the GAEB pilot project by a gap-analysis of professional education, training and certification in selected SEEPAD member countries compared with current practice in selected Western and Central European countries.

The main areas of interest for benchmarking purposes in this pilot project are the position and responsibilities of the professional bodies, the qualification requirements for accountants and auditors, professional education and practical experience. For each area development indicators are defined and compared with international benchmarks. The use of indicators makes it possible to identify priorities and to measure progress through time.

2.2 DESIGN CRITERIA FOR THE GAEB METHODOLOGY

The following criteria influenced the design of the pilot GAEB methodology. These evaluation criteria are used to evaluate pilot project results, inform methodological improvements, and guide the development, addition and application of new components.

- International standards - use of international standards and applicable regional standards (e.g. European Union Directives) and recognized best practices promote regional harmonization and integration into global and regional governing frameworks and markets.
- Multi-dimensional - covering key substantive and institutional components of accountancy development in transition and developing countries.
- New and innovative - supplementary and complementary, not duplicative of existing assessment tools and indicators.
- Designed for institutional development purposes - incorporates a development perspective and results framework useful to a wide range of stakeholders in the development community: donors and their implementing partners, international standard setters and assessors, government counterparts, and professional bodies.
- Adaptable – capable of accommodating additional modules or components of interest to international, regional and local stakeholders in the public and private sectors.
- Quantitative and qualitative - facilitating multi-dimensional measurement, comparison, presentation of results, and monitoring of progress over time, regionally and within individual countries.
- Regional and local ownership - self-assessment and active participation and support of regional and national accountancy institutions and professionals ensures regional and local ownership of results and action plans.
- External validation - participation and validation by international experts in the field enhances the quality, comparability, and credibility of results while linking regional and local institutions with international standard setters, evaluators and experts.
- Cost effective and sustainable – through self-assessment with external validation, use of international and local volunteers, regional endorsement, cooperative linkages with other institutions, and location of the methodology in an intellectual home (e.g. academic institution), ensuring sustainability after USAID assistance ends.

2.3 ASSESSMENT OF ACCOUNTANCY DEVELOPMENT IN GAEB PILOT PROJECT

The following substantive and institutional elements of accountancy development are analyzed in the pilot version of the GAEB methodology:

- Professional qualification and licensing requirements, including an examination of professional competence at university final examination level which

guarantees that the theoretical knowledge relevant to statutory audit and the ability to apply that knowledge in practice have been obtained.

- Professional education requirements, covering the whole range of subjects necessary for professional accountants and auditors as defined by IFAC and the European Union.
- Practical experience requirements, primarily in the accounting and auditing function, in a suitable professional environment, under supervisors providing adequate guarantees regarding the standard and content of training.
- General education requirements covering general knowledge, intellectual skills and communication skills needed by professional accountants and auditors.

Based on the presentation and review of results, recommendations may be developed on how best to develop a region-wide approach to necessary reforms under the leadership of regional institutions like SEEPAD linked to and supported by international standard setters, experts and donors. Utilizing a common regional framework and an approach that leverages resources and transfers knowledge efficiently and effectively, the aim is to produce results that reduce region-wide and country specific critical gaps and material deficiencies measured quantitatively and qualitatively against international benchmarks.

2.4 DEVELOPMENT PERSPECTIVE

A primary objective of the GAEB initiative is to provide the development community with a methodology useful in strengthening the accountancy profession and supporting market institutions in transition and developing countries. A development perspective is useful to a wide range of stakeholders including donors and their implementing partners, international standard setters and evaluators, government regulators, and professional bodies.

International benchmarks are identified for each essential element of professional accountancy development, together with the underlying development indicators. For the GAEB pilot project, quantitative parameters were chosen to reflect (a) the urgency of development in regard to implementation of IFAC International Education Standards and related EU Directives; and (b) the need for donor assistance to achieve development results in a reasonable period of time. Country participants (professional accountancy bodies in selected SEEPAD member countries) were asked to self-assess their own systems on a scale from 1 to 4 in regard to compliance with IFAC IES. The following are these four development indicators:

“International Education Standards . . . establish essential elements (e.g. subject matter, methods and techniques) that education and development programs are expected to contain and that have the potential for international recognition, acceptance and application.”

*IFAC Education Committee,
Framework for International
Education Statements, 2003*

1 Urgent development — a designation used when there is virtually no local capacity and/or resources to close a serious compliance issue. External development and input of expertise and resources are necessary.

2 Critical deficiencies — a designation used when limited local capacity and/or resources are available to resolve compliance problems. External expertise and resources are necessary to achieve results in a reasonable time.

3 Material deficiencies — a designation used where local assistance and/or resources are available but external assistance would accelerate full compliance with international standards in the near term.

4 Sustainability — indicates either full compliance or differences that can be resolved with existing local expertise and resources in a short time.

The scoring mechanism specifically takes into account local capacity, particularly the need for external assistance in order to overcome missing foundational elements, urgent and critical deficiencies. This relative assessment reflecting the development stage is more suitable to promote growth to sustainable systems than trying to design absolute measures (e.g. from “poor” to “excellent”). A simple Yes/No scorecard does not reflect significant variations and for that reason cannot be used.

Supporting this pilot project was a sophisticated, proprietary database of the international audit, tax and advisory services firm, KPMG. This database facilitated completion of questionnaires, management of data, and production of regional, country specific, and topical standard and special reports and benchmark comparisons. Graphical illustrations present regional and country specific results in relation to external benchmarks.

2.5 SELF-ASSESSMENT WITH EXTERNAL VALIDATION

The GAEB benchmarking instrument combines self-assessment with external validation. The original GAE project and the GAEB pilot project confirm that collecting data through participation of local experts is a key to success. This approach leads to reliable and comparable information, when external validation is part of the process.

The use of a self-assessment instrument promotes participatory evaluation of the present position of the participating professional bodies and of the necessary steps towards an international compatible structure. Local experts, who have up-to-date knowledge of the present situation, conduct the self-assessment. External and independent evaluators validate the results of the country assessment. External validation contributes to comparability and relevance. The complementary aspects of this dual approach help to achieve ownership while ensuring external credibility.

After external validation, the quantitative scores and supporting qualitative assessments can be the basis for decisions on priorities for immediate and future development. Reports from the External Evaluators have confirmed that the GAEB methodology is an important tool to compare regional and local professional development and accountancy education with international standards as a basis for sustainable development.

2.6 REGIONAL PLATFORM FOR GAEB PILOT PROJECT

The endorsement of the GAEB methodology by SEEPAD provided the necessary regional platform for the initial pilot project. SEEPAD as the regional body of professional institutes for accountants and auditors gave its full support to testing the GAEB methodology. The open and reliable communication with selected member bodies from Albania, Bosnia-Herzegovina, Bulgaria, Kosovo, Macedonia, Moldova, Serbia & Montenegro, and Romania contributed in an important way towards the results. The SEEPAD General Council supported the GAEB team in discussions about objectives, progress and results.

In the GAEB pilot project, the present position of SEEPAD member bodies in professional development and accountancy education is compared with the situation in the Czech Republic, Hungary and Poland and with more mature systems in three western European Union countries: France, Germany and the United Kingdom.

As a result of the GAEB initiative, country specific action plans may be prepared as components of a region-wide endorsed framework for accountancy development in SEEPAD member countries. The endorsement and support of SEEPAD is key to development and implementation of a region-wide approach.

2.7 MONITORING OF REGIONAL PROGRESS OVER TIME AND SUSTAINABILITY

Comparability of systems in various stages of development at one moment in time was achieved in the original GAE project. Comparability of stages of development of individual systems in transition and developing countries over time is an expected outcome of the GAEB initiative. The use of international benchmarks contributes to comparability at any one moment in time and over time. The recently published IFAC International Education Standards (as well as other IFAC Statements of Membership Obligations) provide a timely, highly relevant, and durable basis for key components of the GAEB methodology.

The application of the benchmarking instrument in SEEPAD member countries makes it possible to validate the instrument for future use to measure progress in the participating countries and to facilitate application in other regions.

To ensure sustainability, the relevance of the benchmarking methodology has been confirmed in recent contacts with the World Bank, IFAC and the International Association for Accounting Education and Research (IAAER). Additionally, intellectual ownership for the future is under discussion with DePaul University, Chicago, Illinois, in order to establish a more permanent structure for updating and promotion of the benchmarking methodology.

Additionally, the relevance of the GAEB results can be demonstrated for international organizations and donors who have an interest in the development of the accountancy profession. For example:

- IFAC in view of compliance purposes and implementation of International Education Standards.
- International Accounting Standards Board (IASB) in view of implementation of International Financial Reporting Standards.
- Forum of Firms in view of introduction of the Transnational Auditor Qualification.
- Regional bodies like the European Union in view of professional regulation.
- United Nations Conference on Trade and Development (UNCTAD) in view of its support of developing and transition countries.
- International donor organizations including USAID in view of measurable development.

3.0 PROJECT ACTIVITIES

The GAEB project activities can be divided into four major stages.

1. Project design and approval
2. Design of the benchmarking instrument
3. Country assessment and comparison
4. Dissemination of results

Each stage is concluded with approval of the results that have been achieved.

3.1 PROJECT DESIGN AND APPROVAL

After preliminary consultations the GAEB project effectively started with a Washington D.C. meeting in the beginning of March 2004 in which USAID priorities were discussed in order to support transparency, regional harmonization, and cross border comparability of financial reporting. This led to benchmarking measured progress in the development of the accountancy profession in the Europe and Eurasia region. General benchmark information was already available through the Global Accountancy Education (GAE) research project and as a result of regional cooperation. The meeting resulted in a draft work plan- Project Overview & Proposal. Potential participants in the project were identified as well as external sources of information.

On April 2, 2004 the participating experts agreed in Prague on the project proposal. The choice of development indicators was discussed in view of their relevance for the scope of the project. On April 3, 2004 the Global Accountancy Education Network Board agreed to review the scope and relevance of the GAEB project. CARANA Corporation presented the final version of the GAEB Project Overview & Proposal and a separate Financial Plan to USAID for approval.

3.2 DESIGN OF THE BENCHMARKING INSTRUMENT

The choice of the subjects to be analyzed (called competency components) is based on the results of a previous GAE research study -'Impact of Globalization on Accountancy Education'. The GAE approach places accountancy education in the broader context of country characteristics and developments in the accountancy profession. Accountancy education is used to include not only formal university education, but practical experience, lifelong learning, examination and professional education. In this way full use can be made of the GAE classification results in general while at the same time comparability with the GAE country overviews is assured.

In addition to the choice of the competency components, a choice of indicator values had to be made. The primary concern is that the indicators (called development indicators) must represent a reliable representation of the actual situation as bases for measured progress towards a sustainable situation. A review of methods used by USAID has helped to identify a suitable approach.

The following table summarizes findings from the GAE study with respect to major influencing elements on accountancy education:

3.2.1 Table of Core Model of Accountancy Education

Influence of the Accountancy Profession on Accountancy Education		
Country Characteristics	Accountancy Education	International Developments
<ul style="list-style-type: none"> • Cultural background • Legal system • Economic position • Higher education 	<ul style="list-style-type: none"> • Professional qualification objective • Qualification standards, final examination of professional competence • Professional education • Practical experience • General education 	<ul style="list-style-type: none"> • Standards • Guidelines • Directives

For the development of a benchmarking instrument the GAE subjects were recast as competency components which are: (1) professional characteristics; (2) education and training; (3) accounting, finance and related knowledge; (4) organizational and business knowledge; and (5) skills, values, ethics and attitudes. The core model of accounting competencies (competency components) is scaled in regard to the need for development. This led to an overall assessment for the five competencies in four development indicators. The overall assessment is given as a vector representation as any single indicator would lack relevance for development purposes.

International benchmarks are identified for the competency components, both on the detailed level and on the aggregate level. The benchmarks include IFAC International Education Standards and Guidelines, EU Directives and other requirements. To ensure that all data are easily accessible for review and analysis CARANA developed a website at www.gae-online.org and dedicated database applications are available using KPMG Qubus software and support (a powerful proprietary database application used in many commercial studies).

3.3 COUNTRY ASSESSMENT AND COMPARISON

The third stage of the project – country assessment and comparison – started in June 2004 with the appointment of External Evaluators who together with professional country respondents prepare and evaluate the present position of the participating professional bodies.

Country assessment started with two regional launch workshops in which the benchmarking methodology was explained to representatives of the participating professional bodies. Based on the GAEB information participating country experts have prepared self-assessment questionnaires in which strengths and weaknesses are identified. The results were first checked for completeness and clarity. External and independent experts validated the results of the self-assessment during country visits. The final result is a SWOT analysis for each country identifying priorities for future development.

In June 2004 the GAEB project was presented to the General Council of SEEPAD at which occasion the SEEPAD member bodies agreed to participate in the benchmarking project.

During the period June 2004 – January 2005 country information was gathered. For some professional bodies additional information followed in the first half of 2005. On 9 and 10 February 2005 the intermediate results were discussed in Bucharest, Romania at a meeting with the External Evaluators and the benchmarking methodology was reviewed. This was followed by presentations during the SEEPAD Regional Seminar on the Implementation of IFAC International Education Standards that took place on 11 and 12 February 2005 in Romania. This meeting provided a valuable opportunity to discuss country progress with the SEEPAD representatives.

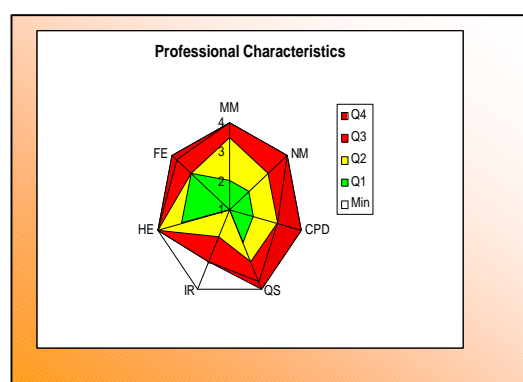
Based on preliminary work the fourth stage of the GAEB project effectively started in February 2005. Two parallel objectives have been addressed. The first is the general review and finalizing of the GAEB methodology. The results are made available to USAID and through USAID to representatives of international organizations with an interest in sustainable development of the accountancy profession. The second objective is the application of the benchmarking methodology on a country and on a regional basis in the SEEPAD countries.

On 25-27 August 2005 a general overview of the benchmarking results was given to SEEPAD as part of the Regional Conference on Public – Private Partnerships in Romania.

3.4 DISSEMINATION OF RESULTS

Reporting of results from this benchmarking initiative considers the confidential nature of specific country results. The reports include:

- One consolidated, comprehensive report to USAID and SEEPAD, which includes the benchmarking methodology and SEEPAD results. Professional body information is limited to an overview as the questionnaire and development indicators are confidential to the Professional Body.



- Each Professional Body receives a confidential report that includes their completed questionnaire with the applicable benchmarks and an analysis of strengths and weaknesses as a basis for development deficiencies.

Dissemination of results is further promoted in meetings with the World Bank and the IFAC Education Committee in June 2005 and with the International Association for Accounting Education and Research, IAAER in September 2005.

4.0 BENCHMARKING METHODOLOGY

4.1 THEORETICAL FRAMEWORK

4.1.1 International Education Standards

International requirements on accountancy education focus on the highest levels of expertise expected of entry-level professional accountants and auditors. They cover qualification, final examination, professional education, practical experience and underlying general education. The emphasis is increasingly on a competence-based approach that prepares entry-level professional accountants and auditors with necessary tools to start their professional career. Program implementation to achieve these objectives can only be realized in cooperation between standard-setters, professional bodies, universities, accountancy firms and other employers.

“... the Commission would like to ... set out its vision of a modern regulatory framework for statutory audits in the European Union. ... Basically, these initiatives consist in: ... imposing the use of International Standards of Auditing for statutory audits in the EU as of 2005.”

European Union (COM (2003) 289; 21 May 2003

The goal of accountancy education and experience as defined by the International Federation of Accountants (IFAC) is to produce competent professional accountants with the necessary knowledge, skills and professional values and with an attitude of learning to learn. The IFAC International Education Standards for Professional Accountants (IES) is mandatory for IFAC member bodies from 2005. They succeed the IFAC International Education Guidelines (IEG), which are published as recommendations. UNCTAD/ISAR has developed a Model Curriculum inside the IFAC guidance.

The EU 8th Directive sets common standards for the education, training and qualification of statutory auditors. A short comparison of its present requirements on education and qualification with IFAC IEG 9 on ‘Pre-qualification Education, Assessment of Professional Competence and Experience Requirements of Professional Accountants’ is given here. Expected changes in the EU 8th Directive will be included in the analysis.

- General knowledge according to IFAC includes: arts, sciences, humanities (for the development of general knowledge), intellectual skills and communication skills (two years of a four year degree or equivalent).
- General knowledge according to the EU 8th Directive includes: university entrance level qualification, completion of a course of theoretical instruction, a practical training phase and passing an examination of professional competence of university final examination level.
- Both IFAC and the EU request organizational and business knowledge and IT knowledge.

- The same holds for accounting and accounting related knowledge although the EU requirements show a specific focus on audit that is not present in the IFAC IEG and IES.
- Prior to recognition a minimum of three years approved and properly supervised practical experience according to IFAC “primarily in the function concerned and in a suitable professional environment” and according to the EU “in the auditing of annual accounts, consolidated accounts or similar financial statements.”
- Qualification requirements are similar and ensure professional competence, assessing theoretical knowledge and the ability to apply that knowledge competently in a practical situation.

The following table maps the IFAC International Education Standards to the Competency Components and the Questionnaire Clusters, which are explained later.

4.1.2 Table Mapping International Standards to Competency Components to Questionnaire Clusters

International Standard	Competency Component	Questionnaire Cluster
IES 1 - Entry Requirements to a Program of Professional Accountancy Education EU 8 th Directive	Professional Characteristics	Cluster 4
IES 2 - Content of Professional Accounting Education Programs EU 8 th Directive IFAC International Education Guidelines	Education & Training; Accounting, Finance & Related Knowledge; Organizational & Business Knowledge	Cluster 5
IES 3 – Professional Skills IFAC Code of Ethics	Education & Training; Skills, Values, Ethics & Attitudes Education & Training	Cluster 5
IES 4 – Professional Values, Ethics and Attitudes EU 8 th Directive IFAC Code of Ethics	Education & Training	Cluster 5
IES 5 – Practical Experience Requirements EU 8 th Directive	Education & Training	Cluster 5

International Standard	Competency Component	Questionnaire Cluster
IES 6 – Assessment of Professional Capabilities and Competence EU 8 th Directive	Professional Characteristics	Cluster 5
IES 7 – Continuing Professional Development: A Lifelong Learning and Continuing Development of Professional Competency	Professional Characteristics	Cluster 3

4.2 CRITICAL ELEMENTS OF THE BENCHMARKING METHODOLOGY

The benchmarking tool identifies the subjects necessary for the development of market-based institutional capacity in the accountancy profession in view of compliance with international standards, harmonization and integration of economies. The critical components of the benchmarking methodology includes:

- The position and responsibilities of the professional bodies, the qualification requirements for accountants and auditors, professional education and practical experience.
- Development indicators for each area that are defined and compared with international benchmarks. The use of indicators makes it possible to identify priorities and to measure progress through time.
- A self-assessment instrument that promotes participatory evaluation of the present position of the participating countries and of the necessary steps towards an international compatible structure.
- External validation, which, contributes to comparability, relevance and credibility.

4.2.1 Responsibilities of the Professional Bodies

The present position of professional bodies and of their qualification, education and training requirements is compared with IFAC Standards and Guidelines and with relevant EU Directives. The benchmarking methodology is used to identify gaps between present practice and international standards and to monitor country progress along their transition path to sustainable development for transition and developing countries.

Progress can be realized in Country Action Plans and Regional Action Plans for which the participating professional bodies have to take responsibility. Donor support can be directed at the areas with the highest priorities. Progress over time can be measured by repeating the GAEB process.

4.3 PARTICIPATING COUNTRY PROFESSIONAL BODIES

In addition to the twelve SEEPAD Professional Bodies, the results for the SEEPAD countries have been compared with the following EU countries in Western Europe.

4.3.1 Table of Participating Western European Countries

Country	Professional Body
France	OEC - Ordre des Experts-comptables
Germany	IDW - Institut der Wirtschaftsprüfer in Deutschland
United Kingdom	ACCA - Association of Chartered Certified Accountants
United Kingdom	ICAS - Institute of Chartered Accountants of Scotland

Further, results for the SEEPAD countries have been compared with the following countries in Eastern Europe, which recently joined the European Union and have graduated from USAID assistance.

4.3.2 Table of Participating Central European Countries

Country	Professional Body
Czech Republic	CACR - Chamber of Auditors of the Czech Republic
Hungary	CHA - Chamber of Hungarian Auditors
Poland	KIBR - National Chamber of Statutory Auditors

See ANNEX 5 - Project Organization and Curriculum Vitae for information on country respondents and External Valuers.

4.4 DEVELOPMENT INDICATORS

In the GAEB pilot project the benchmarking methodology is used as a development tool. This makes it necessary to identify indicators which not only make it possible to identify the present situation in a straightforward manner, but that can also be used to identify priorities for future development and progress over time in a quantitative way.

As basis for the choice of indicators an analysis was made of other benchmarking projects. For the accountancy profession in developing and transition countries the discussion-oriented organizational self-assessment method (DOSA) had to be rejected as in general the necessary expertise on international requirements is not yet available. Preference was given to an approach comparable to the Institutional Development Framework (IDF) Toolkit. IDF is aimed at development by identifying criteria for progressive stages: start up, development, expansion/consolidation and sustainability.

The following questions had to be answered: (a) which measurement approach is most useful in for capacity building the accountancy profession with regard to bias, quantification and comparability over time; (b) how can the data be collected and how participatory can and should the measurement process be?

Relative assessment reflecting the development stage is more suitable to promote growth to sustainable systems than trying to design absolute measures. International benchmarks are identified for each main area and – as far as applicable – the underlying indicators. Graphical illustrations will help to represent the results of each country in relation to external benchmarks. Database facilities make it easy to fill in the questionnaire and to produce standard reports and benchmark comparisons.

All countries in the GAEB project have a transition, civil law background. Competency components have been chosen from the subjects identified in the GAE research project. For each an overall score is decided based on quantitative parameters that reflect the urgency of development. Country participants have been asked to assess their own systems on a scale from 1 to 4.

Numerical Value	Development Indicator
1	Urgent development
2	Critical deficiencies
3	Material deficiencies
4	Sustainability

After external validation the results can be the basis for decisions on priorities for immediate and future development.

Self-assessment scores are subject to external validation. Graphical illustrations help to represent the results of each country in relation to external benchmarks. A detailed list of indicators, benchmarks and examples is made available to assist the self-assessment and validation process.

4.5 SELF-ASSESSMENT

At the start of the GAEB project an analysis was made of information needs and possible indicators that are relevant to the professional qualification, education and experience requirements for accountants and auditors. All elements come together at the professional bodies that admit young people to membership and set the professional rules under government legislation.

Professional bodies are, or in a developing situation should become, ideally placed to promote cooperation with governments as standard setters, universities and other institutes of higher education and with the accountancy profession. Furthermore IFAC Statements of Membership Obligations require IFAC member bodies to either implement the IFAC IES directly or, when other institutes are responsible, to make their best endeavors to have them implemented.

In addressing the professional bodies, the best possible way to collect the necessary and relevant data is through participation of local experts. Resulting Country Action Plans can be combined in a Regional Action Plan when neighboring countries are analyzed at the same time. This approach has been chosen for the SEEPAD region. This promotes effective use of both internal expertise and donor support.

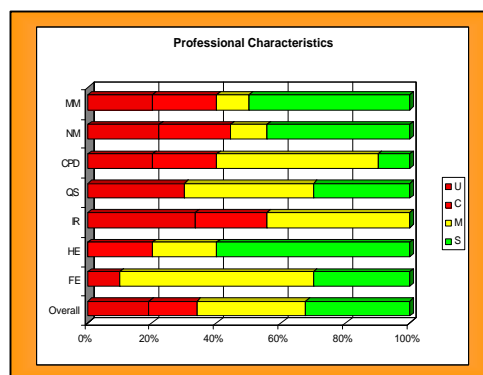
5.0 BENCHMARKING QUESTIONNAIRE

A GAEB questionnaire and supporting information is made available for benchmarking purposes. The information in the questionnaire is ordered in clusters. Based on:

- General Information and Professional Characteristics
- Professional Body (members, new members and CPD)
- Professional Qualification Standards and Higher Education
- Final Examination, Professional Education and Practical Training

The IFAC “Introduction to International Education Standards” (IES) describes IES as standards of generally accepted “good practice” in education and development of professional accountants and as benchmarks that professional bodies are expected to meet with the essential elements of content and education process to gain international recognition, acceptance and application. Subject areas that need to be covered are identified.

IFAC recognizes different stages of development and different but equivalent approaches to qualification requirements.



- Introduction to International Education Standards (Intro IES)
- Framework for International Education Standards (Framework)
- Entry Requirements to a Program of Professional Accounting Education (IES 1)
- Content of Professional Accounting Education Programs (IES 2)
- Professional Skills (IES 3)
- Professional Values, Ethics and Attitudes (IES 4)
- Practical Experience Requirements (IES 5)
- Assessment of Professional Capabilities and Competence (IES 6)
- Continuing Professional Development (IES 7)

Competence according to IFAC is gained through a mix of study, work and training. During pre-qualification education teaching methods should focus on providing students with the tools for self-directed learning after qualification. Educators may need to be trained and encouraged to use a broad range of learner-centered teaching methods. Integration of education and practical experience can enable students to apply knowledge in work-based examples.

The IFAC “Framework for International Education Standards” describes the position of the IFAC Education Committee (EDCOM), the process of standard setting and the statements of the EDCOM. It also contains a Glossary of Terms. EDCOM publications in addition to IES are:

- International Education Guidelines (IEG)
- International Education Papers (IEP)

The United Nations Conference on Trade and Development (UNCTAD) Guideline on National Requirements for the Qualification of Professional Accountants and the UNCTAD model curriculum (UNCTAD MC) provide additional benchmarks for program comparison.

5.1 GENERAL INFORMATION AND PROFESSIONAL CHARACTERISTICS

- *GAEB Questionnaire Cluster 1* *General Information*
- *GAEB Questionnaire Cluster 2* *Professional Characteristics*

5.1.1 Professional Characteristics

In addition to benchmarks, international comparison of qualifications can support development to international standards. A classification of systems of accountancy education has been developed in the Global Accountancy Education research project. The results demonstrate different approaches to the qualification, education and training of accountants and auditors.

The project resulted in the classification of accountancy education based on the analysis of professional qualification, education and training of 34 professional bodies in 25 countries. The research participants came from academic and professional institutes and together covered all relevant areas of expertise. The International Accounting Standards Committee Foundation (IASCF) published the research results⁵.

The research project had as its *general objective* to contribute to the understanding of the present position and the possible future development of accountancy education in various parts of the world. A conceptual model for the classification of the different accountancy education systems has been developed that can be used to describe and compare accountancy education worldwide. Furthermore the model can be used to monitor and in part explain global changes in accountancy education as a result of international developments in the accountancy profession.

The country characteristics included in the GAE study are “economic position” and “legal system”. Statistical analysis shows that for the sample of countries included in the GAE project economic position and legal system can be considered to be independent variables. Other factors like “country size” and “cultural background” do not discriminate between countries in the context of the GAE study. As a result

⁵ Gert H. Karreman, Impact of Globalisation on Accountancy Education, IASCF, 2002

they are not included as possible distinguishing factors in the research analysis and the model of accountancy education.

5.1.2 Economic Position

The economic position of countries is found to depend greatly on the Gross National Product in millions of USD, the Gross National Product per capita and the number of personal computers per 1000 people. These data discriminate highly between countries, showing a dichotomy between on the one hand countries that in general can be classified as “industrialized” and on the other hand countries that in general can be classified as “in transition/emerging”.

5.1.3 Legal System

Consideration of recent literature and discussions with accountancy education experts worldwide were instrumental in the decision to distinguish “common law” and “civil law” as the two major classes relevant for the accountancy profession.

In addition to country characteristics attention is given to general professional characteristics. These include the regulation of the accountancy sector (by law, by professional self-regulation, or both), the recognition of the professional body (as a regulatory body, as a disciplinary body, or both) and finally membership of IFAC and regional organizations of accountants.

The GAE study shows that overall common law countries have higher professional self-regulation and lower government regulation than civil law countries. Industrialized common law countries score somewhat higher in professional self-regulation than common law countries with economies that are in transition or emerging. For civil law countries the situation is reversed with high government regulation for industrialized countries.

Almost all professional bodies considered in the GAE project are member of IFAC. Most are also affiliated to one or more regional organizations of accountants.

The general characteristics discussed in this paragraph are considered to be important for the position of professional bodies in regard to the qualification, education and training and the continuing professional development of their members.

5.2 PROFESSIONAL BODY

- | | |
|----------------------------------|--|
| • GAEB Questionnaire Cluster 3.1 | <i>Members</i> |
| • GAEB Questionnaire Cluster 3.2 | <i>New Members</i> |
| • GAEB Questionnaire Cluster 3.3 | <i>Continuing Professional Development</i> |

5.2.1 Members and New Members

The structure of the first two clusters is comparable. The subjects that are covered are the numbers of members and new members, both male and female and their

employment sectors. There is no IFAC or EU regulation on this subject. Worldwide most professional bodies have members in all relevant employment sectors.

The two main questions to address on present membership and on numbers of new members are:

- Is the number of qualified members sufficient for labor market needs?
- Is the number of new members sufficient for future needs?

If the answer to either question is negative it may be necessary to consider measures to make the qualification more attractive, probably in competition with other professions.

Gender has to be considered to understand the labor market. In some countries it may be important to also consider the indigenous background of accountants and auditors to ensure that the accountancy profession has its basis in the national community as a whole. The answers to questions like these may also have consequences for the existing policies on interesting new students to pursue careers in the accountancy profession and for education opportunities that must be made available.

5.2.2 Continuing Professional Development

IFAC addresses the issue of Continuing Professional Development in the Introduction to the IES and in IES 7. As yet CPD is not required in the EU 8th Directive. The questions in the cluster follow the IFAC requirements with a further differentiation for employment sectors. IFAC does not differentiate by employment sector. In many countries however there are differences in CPD requirements for members in different employment sectors.

According to the Introduction to the IES the profession needs to set high standards for the CPD of its members. This requirement is worked out in IES 7, Continuing Professional Development.

- Member bodies should promote the importance of continuous improvement of competence and a commitment to lifelong learning for all professional accountants.
- Member bodies should facilitate access to CPD opportunities and resources to assist professional accountants in meeting their responsibility for lifelong learning.
- Member bodies should require all professional accountants to develop and maintain competence relevant and appropriate to their work and professional responsibilities.

The amount of CPD is also specified. In an input-based approach this would in general amount to 40 hours or equivalent teaching units of which half should be

verifiable. In an output-based approach professional accountants must demonstrate the maintenance and development of relevant competence.

Last, member bodies should establish a systematic process to monitor whether professional accountants meet the CPD requirement and provide for appropriate sanctions for failure to meet the requirement, including failure to report or failure to develop and maintain competence.

IFAC sets no standards for providers of CPD. Still it is important to consider the position of the professional body in that respect. Worldwide the majority of professional bodies are involved to a large extent in CPD, either as a provider or in view of recognition or both. In many cases this is done in close cooperation with institutes of higher education and/or commercial providers. One of the major considerations normally is how existing expertise can be used in the most efficient way to promote professional development.

5.3 PROFESSIONAL QUALIFICATION

- *GAEB Questionnaire Cluster 4.1* *Qualification Standards*
- *GAEB Questionnaire Cluster 4.2* *Higher Education*

5.3.1 Qualification Standards

The main qualification objectives are accountant and auditor. The goal of accounting education and practical experience as defined by IFAC is to produce competent professional accountants capable of making a positive contribution over their lifetimes to the profession and society in which they work. The education and practical experience of professional accountants should provide a foundation of professional knowledge, professional skills, and professional values, ethics and attitudes that enable them to continue to learn and adapt to change throughout their professional lives. For this reason a program of accounting education and practical experience needs to go beyond the traditional approach of “transfer of knowledge”.

Qualification standards are defined as admission requirements to the profession. They usually include a final examination, professional education and practical experience. A formal final examination of professional competence is always part of the qualification requirements of countries in the GAE study. Professional education is always available in one form or another, mandatory or voluntary, post higher education or included in higher education. Practical experience is generally included in qualification or licensing requirements. There is however a clear distinction between professional bodies in the requirement to have practical experience before the final examination.

The EU 8th Directive requires a final examination of professional competence for auditors organized or recognized by the State. The EU 8th Directive states that a natural person may be allowed to carry out statutory audits only after having attained university entrance level, then completed a course of theoretical instruction, undergone practical training and passed an examination of professional

competence of university, final examination level. If the qualification objective is both accountant and auditor there can be a difference in admission requirements that affects the content of the final examination and the program of professional education or the requirements on practical experience either before or after qualification as an accountant.

IFAC International Education Standards express the benchmarks that IFAC member bodies are expected to meet in the preparation and continuing development of professional accountants. According to the IFAC Statement of Membership

"Statements of Membership Obligations (SMO) are issued by the IFAC Board and provide clear benchmarks to current . . . IFAC member organizations . . . SMOs cover a member body's obligations to support the work of IFAC of the ISA Board, and obligations regarding quality assurance and investigation and discipline."

IFAC Website, October 2005

Obligations 2 (SMO 2) IFAC member bodies are obliged to inform all parties involved in accounting and auditing education about the publications of the IFAC Education Committee and to use their best efforts to implement all IESs and other pronouncements of the EDCOM in national educational and training requirements for the accountancy profession.

On qualification standards they should satisfy themselves that (a) the assessment(s) test the body of knowledge and the ability to apply it; (b) the procedures and policies for its construction, security and marking are adequate; and (c) there is periodic review of the education and assessment process. There are no requirements on government recognition by IFAC. However, IFAC member bodies must take

responsibility for qualification standards. In general this responsibility is shared with the government.

Adherence to IES will help significantly to achieve international recognition of the qualifications of accountants and auditors. Comparability of qualifications has also been addressed by the General Agreement on Trade in Services (GATS) and by the European Union. The GATS requires that all countries have procedures to verify qualifications of professionals from other countries. Though GATS is multinational in scope it does provide for bilateral implementation. The EU 8th Directive sets out provisions for recognition of accountancy qualifications on the conditions that (a) the qualification is considered equivalent to that of the member state; and (b) possession of legal knowledge required in the member state is proved.

5.3.2 Higher Education

University entrance level before the start of professional accounting education is requested by IES 1, Entry Requirements to a Program of Professional Accounting Education, and by the EU 8th Directive. Worldwide the majority of new accountants and auditors in the countries included in the GAE project have accountancy, finance or business university degree or a general university degree. Higher education has a relatively higher importance in countries that are in transition or emerging. In general it can be concluded that the education of accountants and auditors is at the same level as the education of other professionals in their country. University entrance level is almost always requested.

There are no requirements on general education. IFAC recognizes that the starting point of a program of professional accounting education can vary. Many programs of professional accounting education start at the post-graduate level. Other programs start at the immediate post-secondary education level or at some point at a higher education level that is below that of an undergraduate degree. Whichever route is chosen, it is important that all candidates achieve a comparable level of professional competence at the point of qualification.

It may require considerable effort to interest enough students with the right kind of competences to follow a career in the accountancy profession. Dependant on the available system of general higher education it can be necessary to distinguish different entry routes with ensuing variations in the programs of professional education.

5.4 FINAL EXAMINATION

- *GAEB Questionnaire Cluster 5.1* *Final Examination*

According to the IFAC IES the requirements on professional education, practical training and assessment of competences can be acquired in different orders. For example professional education may be gained at the same time as general education or by advanced study afterwards. Teaching methods need to reflect the necessity of learning to learn. Practical experience is considered necessary before candidates can present themselves to the public as professional accountants. It can be obtained after a program of study or at the same time. Competence is gained through a mix of study, work and training. Integration of education and practical experience can bring benefits by drawing on work-based examples to enable students to apply knowledge.

IES 6, Assessment of Professional Capabilities and Competence, states that it is the responsibility of IFAC member bodies to have in place assessment procedures that ensure candidates admitted to membership are appropriately qualified. A significant proportion of the final assessment should be in recorded form; the assessment should be reliable and valid, cover a sufficient amount of the whole range of professional knowledge, skills, values, ethics and attitudes; and the assessment should be as near to the end of the pre-qualification program as practicable.

The final assessment of capabilities and competence is normally in addition to purely academic qualifications and is beyond undergraduate degree level. Professional accounting education may take place in an academic environment or in the course of studying for a professional qualification, but needs to be at least equivalent to degree level study.

In the final assessment candidates need to be able to demonstrate that they:

- Have a sound technical knowledge of the specific subjects of the curriculum;
- Can apply technical knowledge in an analytical and practical manner;

- Can extract from various subjects the knowledge required to solve many-sided or complex problems;
- Can solve a particular problem by distinguishing the relevant information from the irrelevant in a given body of data;
- Can, in multi-problem situations, identify the problems and rank them in the order in which they need to be addressed;
- Appreciate that there can be alternative solutions and understand the role of judgment in dealing with them;
- Can integrate diverse areas of knowledge and skills;
- Can communicate effectively with users by formulating realistic recommendations in a concise and logical fashion; and
- Can identify ethical dilemmas.

In considering the final examination and its objectives and methods it is important to note that most countries follow a system of partial examinations leading to exemptions for the final assessment. For the purposes of the benchmarking project these preceding tests are considered to be part of the final examination as they are an important part of the assessment of professional competence.

The European Union does not give general requirements for the final examination, except the fact that it must be organized or recognized by the state. The EU 8th Directive gives a list of subjects that should be included in the test of theoretical knowledge. In this project the list is used for benchmarking purposes. However, it must be kept in mind, that not all subjects have to be part of the final examination. In comparison with IFAC the present text of the EU 8th Directive does not specify requirements on professional skills, values and ethics. The theoretical subjects in themselves are comparable with the IFAC requirements for professional education and for that reason are not covered separately.

In the GAE project the core program; objectives, methods and entrance requirements have been compared on a scale between “theory oriented” and “practice oriented”. Overall most professional bodies have a mixed approach in their final examination with comparable attention for theory and practice. There is no general distinction between common law and civil law countries. Almost all professional bodies in common law countries are provider of their own examination. The situation in civil law countries is more mixed with often a dominant role of the government.

Only two countries have an official responsibility of the universities in the final examination. In almost all countries university experts participate in the examination. The final examination can be recognized by the government or by the professional body itself, or in a combination. There is no principal difference between the two systems, as the professional bodies, who recognize their own examination normally do so under government charter. Direct government responsibility is concentrated more in civil law countries than in common law countries.

5.5 PROFESSIONAL EDUCATION

- *GAEB Questionnaire Cluster 5.2 Professional Education*

Requirements for professional education are formulated by IFAC in IES 2, Content of Professional Accounting Education Programs; IES 3, Professional Skills; and IES 4, Professional Values, Ethics and Attitudes. There are no specific EU requirements on professional education other than the list of subjects mentioned under *Final examination*.

IFAC stresses the importance of competence development and assessment. To demonstrate competence at work, professional accountants need to have a defined set of professional knowledge, professional skills, professional values, ethics and attitudes. Competence is gained through a mix of study, work and training. Integration of education and practical experience can enable student to apply knowledge in work-based examples. During pre-qualification education, learner centered teaching methods should focus on providing students with the tools for self-directed learning after qualification.

According to IFAC, professional accounting study should be a part of the pre-qualification program. The study should be long enough and intensive enough to permit candidates to gain the professional knowledge required for professional competence. The professional accounting knowledge component of pre-qualification should consist of at least two years of full-time study (or the part-time equivalent). Students should pursue a degree in accounting, or a professional qualification, to gain this knowledge.

The majority of the GAE professional bodies are involved in professional education, in many cases in cooperation with universities and/or commercial companies. Recognition of professional education can be a (joint) responsibility of the professional body or rests with the government. IFAC has provided a framework for member bodies choosing to review external education providers that may deliver some or all of their pre-certification programs in International Education Paper IEP 1, Recognition of Pre-Certification Education Providers by IFAC Member Bodies. Its considerations are also important for professional bodies that wish to assess their own system of professional education.

IES 2, Content of Professional Accounting Education Programs, is explicit about the subjects that should be included in a program of professional education. The three main categories are:

- Accounting, finance and related knowledge;
- Organizational and business knowledge; and
- IT knowledge.

Accounting, finance and related knowledge provide the core technical foundation essential to a successful career as a professional accountant. It further develops and integrates the knowledge, skills, and professional values, ethics and attitudes

from elsewhere into the subject areas all accountants need to study. This part needs to be delivered at least at the level of an accounting degree. Organizational and business knowledge provides the context in which professional accountants work. Specific guidance on the information technology knowledge and competences for professional accountants is set out in IEG 11, Information Technology for Professional Accountants.

IES 3, Professional Skills, distinguishes (1) intellectual skills, (2) technical and functional skills, (3) personal skills, (4) interpersonal and communication skills, and (5) organizational and business management skills.

Intellectual skills enable a professional accountant to solve problems, make decisions and exercise good judgment in complex organizational situations. Technical and functional skills include numeracy and IT proficiency, decision modeling and risk analysis, measurement, reporting, and compliance with legislative and regulatory requirements. Personal skills relate to attitudes and behavior. Interpersonal and communication skills enable a professional accountant to work with others in an organization. Organizational and business management skills are important for the day-to-day management of organizations.

Last, according to IES 4, Professional Values, Ethics and Attitudes, the program of professional accounting education should provide potential professional accountants with a framework of professional values, ethics and attitudes for exercising professional judgment and for acting in an ethical manner that is in the best interest of society and the profession.

In the GAE project core programs of professional education were analyzed. At that time IFAC International Education Guidelines, EU Directives and the UNCTAD Model Curriculum were used as benchmarks. The results show a high compliance in the matter of subjects, especially in the accounting and accounting related core programs. The results indicate that skills, with an emphasis on intellectual skills, are addressed in all education programs. The systematic approach of skills, as part of monitored programs, in practical experience was still in its beginning stages. ICT applications are either given directly or are included in subjects. The same applies to professional values.

5.6 PRACTICAL EXPERIENCE

- *GAEB Questionnaire Cluster 5.3* *Practical Training*

Requirements for practical training are formulated by IFAC in IES 5, Practical Experience Requirements. The EU 8th Directive requires that – in order to ensure the ability to apply theoretical knowledge in practice, a test of which is included in the examination – a trainee must complete a minimum of three years' practical training in *inter alia* the auditing of annual accounts, consolidated accounts or similar financial statements.

At least two-thirds of such practical training must be completed under a person approved under the law of the Member State in accordance with this Directive; the Member State may, however, permit practical training to be carried out under a person approved by the law of another Member State in accordance with this Directive. Member States shall ensure that all training is carried out under persons providing adequate guarantees regarding training.

In IFAC IES 5 a distinction is made between practical experience requirements and the issue of monitoring and control. In comparison with the EU the IFAC requirements are more general and less focused on specific subjects.

According to IFAC the period of practical experience in performing the work of professional accountants should be a part of the pre-qualification program and should be a minimum of three years. A period of relevant graduate professional education with a strong element of practical accounting application may contribute no more than twelve months to the practical experience requirement. A professional environment is necessary for practical experience. The program of practical experience should be mutually beneficial to both the trainee and the employer and be developed together. A record of the practical experience gained should be periodically be reviewed by the mentor.

The IFAC member body and/or the regulatory authority should ensure that the practical experience candidates have gained is acceptable. Experience leading to qualification, as a professional accountant, should be conducted under the direction of a mentor who is an experienced member of an IFAC member body. For a program of practical experience to be effective, it is necessary for the professional body or regulatory authority, the trainee, the mentor and the employer to work together.

For 75% of the professional bodies in the original research study practical experience is offered in public practice; for the rest in a combination of employment sectors. The normal duration is three years or more full time. In situations where part time practical experience is allowed the usual condition is that the total amount of time spent on practical experience stays the same. Recognition of providers of practical experience almost always rests with the professional bodies or with the professional body in combination with the government. Sole government responsibility only occurs twice. In many cases practical experience must be combined with professional education, sometimes it is possible but not required, while in three cases it is excluded.

In considering the situation on practical training there are two overall issues that have to be distinguished:

- The regulation of practical training and the compliance with IES 5 and if applicable the EU 8th directive; and
- The availability of providers of practical training and their expertise and recognition. Even if regulation is up to standard there can be an urgent

need to develop the number of training places where relevant experience in the work of professional accountants and auditors can be acquired.

See ANNEX 1.1 and 1.2 and 1.3 – “Questionnaire Properties, Questionnaire Tree and Questionnaire as Data-Entry Sheet” for an illustration of the questionnaire design. See ANNEX 2 - “Selected Questionnaire Information” for selected information by professional body.

6.0 SEEPAD PARTICIPATING BODIES – GENERAL OVERVIEW

For each professional body an overview has been prepared of the actual system of professional qualification, education and training for, as far as applicable, accountants and auditors. The country respondents have made questionnaires with detailed information available. An External Evaluator has reviewed the analysis in view of future development. Their conclusions are added to the report.

The information that follows is based on questionnaires that were mostly completed during the second half of 2004. In a region like South Eastern Europe where a market oriented accountancy profession is still young and as a consequence developments go fast, this could mean that new developments have already occurred.

In this section attention is given to the region, the legal system, government regulation compared with professional self-regulation, membership of IFAC and of regional organizations of professional accountants and professional self-regulation of mandatory membership and mandatory CPD.

SEEPAD countries have a civil law background. All professional bodies that participated in the benchmarking project for the SEEPAD area operate in a combination of government regulation and professional self-regulation. Generally the accountancy sector is regulated by law and by professional self-regulation. For the Association of Accountants, Financial Workers and Auditors of the Republic of Macedonia (AAFA), Association of Professional Accountants and Auditors of The Republic of Moldova (ACAP), and Society of Certified Accountants and Auditors of Kosovo (SCAAK) regulation is by law. Most professional bodies are recognized as a regulatory and a disciplinary body. AAFA is recognized as a disciplinary body. And Albanian Institute of Authorized Chartered Auditors (IEKA) is recognized as a regulatory body.

The majority of the professional bodies are already a member or an associate member of IFAC. Moreover SEEPAD is working closely together with IFAC on the implementation of international standards and guidelines in order to comply with the IFAC Statements of Membership Obligations. SEEPAD is applying for membership to IFAC as a "Regional Grouping".

With the exception of AAFA all professional bodies set standards for CPD of their members. All professional bodies promote CPD, although enforcement is not yet general. All over the region CPD requirements and facilities are being developed. IRRCG requires re-certification for all its members in the next couple of years. After that a regular CPD approach will follow.

Overviews for all participating SEEPAD professional bodies are published in ANNEX 3 – "SEEPAD Countries with Evaluator Reports". Overviews for EU Comparison Countries are published in ANNEX 4 – "EU Comparison Countries".

6.1 PROFESSIONAL QUALIFICATION AND BACKGROUND

In general the qualification objective is accountant and auditor. For AAFA (Macedonia) and Chamber of Auditors in Romania (CAFR) it is auditor. SEEPAD combines professional bodies with a majority of their members in public practice – CAFR, Body of Expert a Licensed Accountants of Romania (CECCAR) and Institute of Certified Public Accountants in Bulgaria (ICPA)– with professional bodies with a minority in public practice – Association of Accountants & Auditors in the Republika Srpska (AAARS), AAFA (Macedonia), ACAP (Moldova), Institute of the Association of Accountants of Montenegro, (IRRCG), SCAAK (Kosovo) and Serbian Association of Accountants and Auditors (SRRS).

Overall the percentage of female members is between 50 and 75 – for AAFA, CAFR, CECCAR, ICPA and IRRCG – or 75 and above – AAARS and SRRS. For IEKA it is between 25 and 50 and for SCAAK below 25. In general and as far as applicable the percentage of new female members is consistent with the percentage of female members.

All professional bodies require at least a general university degree for entrance in the profession.

6.2 FINAL EXAMINATION

Objectives of the final examination include at least theoretical knowledge, the ability to apply knowledge in practice and professional values. The coverage of skills and ICT applications is not general. Professional education to assist the preparation by the candidates for the examination is offered but not always mandatory as an entrance requirement. With the exception of AAFA and IEKA the professional bodies are the providers of the final examination. For AAFA and IEKA it is the government.

6.2.1 Table on SEEPAD Final Examination Core Programs

Professional Body	Final Examination Core Programs
Albania IEKA	<u>Albanian Institute of Authorized Chartered Auditors</u> The objective of the final examination is to test theoretical knowledge, the ability to apply knowledge in practice, ICT applications and professional values. Prior to certification the candidate has to pass successfully five tests on the following disciplines: (1) Accounting, analysis of annual accounts and accounting reviews; (2) Civil law, commercial law, penal and labor law to the extent they are related with the audit profession; (3) Accounting and auditing standards and their legislation; (4) Managements, internal control organization, including IT systems; and (5) Taxation issues. The final examination is uniform for all students. The government is responsible for the final examination.

Professional Body	Final Examination Core Programs
Bosnia & Herzegovina AAARS	<p><u>Association of Accountants & Auditors in the Republika Srpska</u></p> <p>The objective of the final examination is to test theoretical knowledge; the ability to apply knowledge in practice; intellectual and communication skills; professional values. Final examination core program for Certified Accountant: 1-Business Law and Taxation; 2-Financial Management and Control; 3-Intermediate Financial Reporting; 4-Auditing and Internal Control systems; 5-Advanced Management Accounting. A Certified Accountant who wishes to become an Authorized Auditor must complete the following additional courses: 1-Marketing Management; 2-Audit Management and Investigations; 3-Advanced Financial Reporting; 4-Advanced Financial Management; 5-Strategic Management. From 2005, all accountants will be required to complete the same exam requirements as auditors. The examinations are uniform for all students, given simultaneously, developed and administered under adequate security conditions, objectively graded by qualified staff. The professional body provides the final examination. From 2005 the commission will provide the examinations.</p>
Bulgaria ICPA	<p><u>Institute of Certified Public Accountants in Bulgaria</u></p> <p>The objective of the final examination is to test theoretical knowledge, the ability to apply knowledge in practice and professional values. Final examination core program: (1) Accounting, oral and written, includes IFRS; (2) Commercial Law; (3) Independent Financial Audit, oral and written, includes ISA; (4) Taxation and Social Security. The final examination is developed and administered under adequate security conditions and objectively graded by qualified staff. The professional body is responsible for the final examination with recognition in the Independent Financial Audit Law.</p>

Professional Body	Final Examination Core Programs
<p>Kosovo SCAAK</p>	<p><u>Society of Certified Accountants and Auditors of Kosovo</u></p> <p>The objective of the examinations is to test theoretical knowledge, the ability to apply knowledge in practice, intellectual skills, communication skills and professional values. Final examination core program: Stage I: Financial Accounting I, Financial Accounting II, Management & Cost Accounting, Taxes & Regulations; Stage II: Financial Accounting III, Financial Accounting IV, Ethics, Business Case Studies, Introduction to Audit; Stage III: Internal Control in Audit of Financial Statements, Advanced Audit. All examinations must be passed. After Stage I successful candidates are awarded the accounting diploma Certified Accounting Technician. Stage II leads to the designation Certified Accountant. After Stage III successful candidates are entitled to apply for an audit license with the Kosovo Financial Reporting Board (KFRB). The examinations are uniform for all students, given simultaneously, developed and administered under adequate security conditions and objectively graded. The professional body prepares, administers and usually marks the examinations. The members of the KFRB may review examinations.</p>
<p>Macedonia AAFA</p>	<p><u>Association of Accountants, Financial Workers and Auditors of the Republic of Macedonia</u></p> <p>The objective of the final examination for auditors is to test theoretical knowledge; the ability to apply knowledge in practice; intellectual skills and professional values. Final examination core program for auditors: (1) Financial Accounting; (2) Auditing; (3) Managerial Accounting; (4) Ethics; (5) Basics of Information Systems and Technology; (6) Tax and Legal Accounting Framework in Macedonia. The candidate must pass the first two parts prior to being allowed to sit the following exams. The examinations are uniform for all students, given simultaneously in written form only, developed and administered under adequate security conditions, objectively graded by qualified staff. The government provides the final examination; in future this will be the professional body. Expertise and resources are limited. Currently, the Examination Committee within the Ministry of Finance also includes one foreign expert. Macedonian experts exist, that have the capacity to be involved the final examination process.</p>

Professional Body	Final Examination Core Programs
Moldova ACAP	<p><u>Association of Professional Accountants and Auditors of the Republic of Moldova</u></p> <p>The objective of the final examination is to test theoretical knowledge, the ability to apply knowledge in practice and professional values. ACAP follows the CIPA program whose examinations cover the following subjects: Financial Accounting 1; Managerial Accounting 1; Tax and Law (based on national standards); Financial Accounting 2; Managerial Accounting 2; Finance; Audit. The CAP program covers Financial Accounting 1; Managerial Accounting 1; Tax and Law (based on national standards). The final examination is uniform for all students, given simultaneously, developed and administered under adequate security conditions, objectively graded by qualified staff. The professional body provides the final examination. The final examination is classified as sustainable.</p>
Montenegro IRRCG	<p><u>Institute of the Association of Accountants of Montenegro</u></p> <p>The objective of the final examination is to test theoretical knowledge; the ability to apply knowledge in practice; intellectual and communication skills; professional values. A General Degree in Economics is required. This degree incorporates Law, Taxation, Economics, Quantitative methods etc and also foundation Financial Accounting, Costing and Finance. The IRRCG grants exemptions from all but the core subjects of Financial Accounting, Cost and Management Accounting, Corporate Finance. The faculty curriculum coverage and examination of non-core subjects may not be harmonized with IRRCG specific curriculum requirements but is considered sufficiently similar to satisfy the IRRCG exemption policy. The written examinations are uniform for all students, given simultaneously, developed and administered under adequate security conditions, objectively graded with qualified staff. The professional body provides the final examination.</p>

Professional Body	Final Examination Core Programs
Romania CAFR	<p style="text-align: center;"><u>Chamber of Auditors in Romania</u></p> <p>2005 will be the start of the CAFR examinations. The Chamber only organized two final examinations for access to the profession in October 2000 and June 2001 following the rules concerning the grandfathering process according to the EU 8th Directive. The objective of the final examination will be to test theoretical knowledge, the ability to apply knowledge in practice, intellectual skills, IT applications and professional values. The actual program for the final examination is not yet available. As stated it will follow IFAC IES and EU Directives. The examinations will be uniform for all students, given simultaneously, developed and administered under adequate security conditions and objectively graded by qualified staff. The curricula and the subjects are decided by the Chambers' Council in conformity with the Chambers' regulation. The examinations will be prepared by academics. An effective examination structure is not yet in place.</p>
Romania CECCAR	<p style="text-align: center;"><u>Body of Expert and Licensed Accountants of Romania</u></p> <p>The objective of the final examination is to test theoretical knowledge; the ability to apply knowledge in practice; intellectual, interpersonal and communication skills; IT applications and professional values. Final examination core program for expert accountants case study of practice and IFRS and written examinations on ethics and oral on theory. The written examinations are uniform for all students. The examination committee consists of government representatives and members of CECCAR. The professional body provides the final examination. The examinations are developed by professors and by government staff.</p>

Professional Body	Final Examination Core Programs
<p>Serbia SRRS</p>	<p><u>Serbian Association of Accountants and Auditors</u></p> <p>The objective of the final examination is to test theoretical knowledge; the ability to apply knowledge in practice; intellectual, interpersonal and communication skills; IT applications and professional values. Final examination core program is defined at three levels. The objective of the CPA examination is to test competences to perform independently the following activities- coordination of internal and external control and supervision- execution and coordination of external audit and preparation of audit reports; - organization of team external/internal audit, control and supervision activities; - preparing information for the management; - evaluating strategic business performance with recommendations of certain measures aimed to improve the performance; - identification of an adequate strategy based on the estimate of objectives and position of an enterprise and their impact on organization structures and activities;- creating financial statements of complex business systems and situations;- analyzing the financial statements and issuing pronouncements for different groups of users;- preparing information for management with explanation and estimates of the effects of financial decisions;- analyzing the significance of different financing sources for optimum decision-making;- preparing analyses with an estimate of financial information, relating to past and future business conditions. The written examinations are uniform for all students, given simultaneously, developed and administered under adequate security conditions, objectively graded. The Committee for Education of the professional body provides the final examination.</p>

6.3 PROFESSIONAL EDUCATION AND PRACTICAL TRAINING

Professional education and practical experience are discussed together with degree requirements and the final examination in order to get a clear picture of the whole system and the relations between the elements.

Professional education is mostly part time and follows university education. There is a wide range of providers, including professional bodies, local universities and commercial companies.

6.3.1 Table on SEEPAD Professional Education Core Programs

Professional Body	Professional Education Core Programs
Albania IEKA	<p><u>Albanian Institute of Authorized Chartered Auditors</u></p> <p>Universities recognized by the government provide professional education as part of relevant degree programs. Subjects of the four to five year studies include accounting, finance, economics and management. The programs mostly full time and the necessary expertise and resources are available at the universities.</p>
Bosnia & Herzegovina AAARS	<p><u>Association of Accountants & Auditors in the Republika Srpska</u></p> <p>Universities provide full-time technician level of professional education. After graduation, candidates continue in the professional program using either self-directed methods or through attendance at courses. Each course requires 120 hours of study (minimum) and involves attendance of 40 hours of tuition (not compulsory). From 2005 commercial companies will be permitted to offer professional education.</p>
Bulgaria ICPA	<p><u>Institute of Certified Public Accountants in Bulgaria</u></p> <p>Professional body and universities recognized by the government provide professional education. ICPA provides seminars for candidates, which are not mandatory to be attended, whilst university studies are. Professional education core program includes but is not limited to: (1) Accounting Theory; (2) Financial Accounting; (3) Management Accounting; (4) Financial Statement Analysis; (5) Auditing; (6) Commercial Law; (7) Employment and Social Security Law; (8) Finance; (9) Statistics; (10) Microeconomics; (11) IT. The program is full time and the necessary expertise and resources are available at the universities.</p>
Kosovo SCAAK	<p><u>Society of Certified Accountants and Auditors of Kosovo</u></p> <p>Admission requirements for professional education: any recognized university degree. Core program: preparation for the examinations. Duration in general two years part time, although theoretically one year is possible. Professional body and commercial companies provide professional education. In the past donors provided all or a large part of the programs. Now the professional body administers the program and hires part- and fulltime instructors. University involvement has been negotiated but has not happened yet. The program needs an update and upgrade. Local capacity for this does not exist.</p>

Professional Body	Professional Education Core Programs
<p>Macedonia AAFA</p>	<p><u>Association of Accountants, Financial Workers Auditors of the Republic of Macedonia</u></p> <p>Professional education is being provided by donor-funded projects, by individual audit firms and is also being offered at the Faculty of Economics of the Ss. Cyril and Methodius University in Skopje. At present, foreign experts are also involved in the development of professional education, but within a few years they will no longer be providing their support in Macedonia. Qualified Macedonian experts exist, but they need to be enrolled in the professional education process on a continuing, sustainable basis. There are material deficiencies in professional education.</p>
<p>Moldova ACAP</p>	<p><u>Association of Professional Accountants and Auditors of the Republic of Moldova</u></p> <p>Professional education is not mandatory. It is usually followed after university education. A candidate should have higher education (in the domain of economy and accounting) and one year of experience as accountant for the first level and three years for the second level. ACAP gives training for the CIPA examination. In addition there are other providers. In general CIPA training centers translate international textbooks and materials and develop supplemental material with input from local professionals and trainers. In general professional education takes 3-5 years after university.</p>
<p>Montenegro IRRCG</p>	<p><u>Institute of the Association of Accountants of Montenegro</u></p> <p>Applicants for professional education must hold a General Degree in Economics from Faculty of Economics. Majority of students take only single subject in each cycle-2 cycles per year-as all are in fulltime employment. Average duration is total of 2 years. Education program is organized and managed by IRRCG Education Manager. Education providers are selected by IRRCG from pool of successful examinees from previous exam cycle. Educational material consists of International Text Books and Case Study material translated into local language by USAID funded project.</p>
<p>Romania CAFR</p>	<p><u>Chamber of Auditors in Romania</u></p> <p>During practical training the trainees must have 25 hours per year of theoretical courses organized under supervision of the Chamber. For the core program of professional education IFAC IES 1-6 are applicable. Universities provide professional education as part of degree programs.</p>

Professional Body	Professional Education Core Programs
Romania CECCAR	<p><u>Body of Expert and Licensed Accountants of Romania</u></p> <p>Universities provide professional education for expert accountants as part of degree programs. Professional education during practical training is part time, 75 days per year under a mentor.</p>
Serbia SRRS	<p><u>Serbian Association of Accountants and Auditors</u></p> <p>Professional education core program: <u>Chartered Accountant</u>: PART I 1.1. Preparing Financial Statements 1.2. Financial Information for Management 1.3. Managing People PART II 2.1. Information Systems 2.2. Corporate and Business Law 2.3. Tax System 2.4. Financial Management and Control 2.5. Financial Reporting 2.6. Audit and Internal Review. <u>Certified Public Accountant</u>: PART I 1.1. Audit and Assurance Services 1.2. Performance management PART II 2.1. Strategic Business Planning and Development 2.2. Complex Corporate Reporting 2.3. Strategic Financial Management.</p>

Practical experience (training) is almost always required and has duration of at least three years. The actual number of years of practical experience may also depend on the education background of the candidates. Regulation of practical experience to ensure that it takes place in a suitable professional environment – as is required by IFAC and the EU – mostly does not yet exist.

6.3.2 **Table on SEEPAD Practical Training Core Programs**

Professional Body	Practical Training Core Programs
Albania IEKA	<p><u>Albanian Institute of Authorized Chartered Auditors</u></p> <p>Three years of practical experience in auditing in an audit firm (doing audit work, review work, accounting work, attending training seminars... etc) is mandatory before the final examination can be taken. Both employment contract (full time employment) and service providing contract (part time) of the candidate with an audit firms or auditors are allowed. IEKA members provide fieldwork for the new candidates during their audit work to various clients. The professional body recognizes providers of practical training. Regulations deal with procedures and other regulations on admission of the new applicant for performing their practical experience at one member of the institute, they provide regulations for the contract, for training etc. Periodic review takes place at least once a year.</p>

Professional Body	Practical Training Core Programs
Bosnia & Herzegovina AAARS	<u>Association of Accountants & Auditors in the Republika Srpska</u> Three years of "appropriate relevant" practical experience is required vouched by a formal statement by the employer, depending on the qualification either a Certified Accountant or an Authorized Auditor.
Bulgaria ICPA	<u>Institute of Certified Public Accountants in Bulgaria</u> Practical training is provided in public practice. Supervision is executed by ICPA. Audit firms have to certify the ability and professional skills of the candidate. Audit firms are registered as complying with legal requirements and for practical training are recognized by the professional body.
Kosovo SCAAK	<u>Society of Certified Accountants and Auditors of Kosovo</u> Three years of practical experience is required prior to certification. In 2002 an administrative instruction was prepared elaborating on the regulation requirements. Validity of the instruction is not clear. No other requirement is in place. There are currently no rules or requirements on the providers of practical experience.
Macedonia AAFA	<u>Association of Accountants, Financial Workers and Auditors of the Republic of Macedonia</u> Practical experience can be gained in any market area. Currently, the expertise and resources come from in-house experience of the Big-4 and local audit companies, experience in internal audit within banks and selected industry companies, and some faculty staff members. Currently the government recognizes providers of practical training, prospectively by the professional body.
Moldova ACAP	<u>Association of Professional Accountants and Auditors of the Republic of Moldova</u> Three years of practical experience is mandatory for CIPA; five years for Licensed Auditors. Practical training can be provided in all employment areas.

Professional Body	Practical Training Core Programs
Montenegro IRRCG	<p><u>Institute of the Association of Accountants of Montenegro</u></p> <p>Practical experience required by law: three years before admission to membership (the three years must be supervised experience in Audit Public Practice for purpose of Audit License). No stipulation as to when this experience must take place-before, during or post final qualifying examinations. No detailed scope of experience stipulated nor is supervisory and evaluation procedures neither designed nor monitored. As all existing accountants and auditors complete the re-certification process, the quality of accounting/auditing expertise in the workplace will improve and thus the quality of the supervised practical training will improve.</p>
Romania CAFR	<p><u>Chamber of Auditors in Romania</u></p> <p>Practical training requirements: three years practical training under the supervision of a financial auditor, member of the Chamber. Main areas: accounting, auditing, and optional areas (one third of the practical training required) finance, taxation, IT, other related disciplines. The trainees must have 75 days per year practice and 25 hours theoretical courses under the supervision of the Chamber.</p>
Romania CECCAR	<p><u>Body of Expert and Licensed Accountants of Romania</u></p> <p>Practical training is provided in public practice. CECCAR members are available as mentors. There are sufficient mentors for current trainees. The professional body recognizes providers of practical training.</p>
Serbia SRRS	<p><u>Serbian Association of Accountants and Auditors</u></p> <p>Candidates need at least three years of practical experience in accounting at a level that corresponds with the qualification and under supervision of a holder of the professional qualification. SRRS monitors practical training. Practical training is provided in public practice, industry and commerce and in government. National standard prescribes where practical training can be obtained.</p>

6.4 RECOGNITION OF QUALIFICATIONS

At the moment international recognition of SEEPAD qualifications hardly exists. The logical approach would be to start with recognition inside the region based on the cooperation for quality development that is now in progress. Generally there is some kind of recognition of international qualifications like ACCA and CPA. This could be further developed. In the end regional and broader international recognition would be achieved through EU membership.

6.4.1 Table on SEEPAD Mutual Recognition

Professional Body	Mutual Recognition
Albania IEKA	<u>Albanian Institute of Authorized Chartered Auditors</u> There is no international recognition of the IEKA qualification. ACCA standards are recognized within the SEEPAD member countries.
Bosnia & Herzegovina AAARS	<u>Association of Accountants & Auditors in the Republika Srpska</u> The AAARS qualification is recognized in Serbia and Montenegro by a reciprocal agreement.
Bulgaria ICPA	<u>Institute of Certified Public Accountants in Bulgaria</u> Professional qualifications from other countries are recognized under the following conditions: treaty between ICPA and the relevant other country organization; examination in Bulgarian Commercial and Tax Law in the Bulgarian language. ICPA does recognize ACCA and CPA.
Kosovo SCAAK	<u>Society of Certified Accountants and Auditors of Kosovo</u> There is no regular international recognition of the two qualifications for Certified Accountants and Licensed Auditors although ACCA has given some exemptions to SCAAK members. All countries with 'similar' qualifications may be recognized. The Kosovo Financial Reporting Board makes the decision on an individual basis. Currently there are no objective criteria for foreign certificate recognition.
Macedonia AAFA	<u>Association of Accountants, Financial Workers and Auditors of the Republic of Macedonia</u> There is no formal international recognition of the AAFA qualifications, nor are qualifications from other countries recognized in Macedonia.
Moldova ACAP	<u>Association of Professional Accountants and Auditors of the Republic of Moldova</u> The CIPA certificates are recognized in eight countries, members of CIS and ECCAA. A CIPA from one country can also participate in the seven other countries. Draft of new laws recognize CPA, CA and other world known professional titles.

Professional Body	Mutual Recognition
Montenegro IRRCG	<p><u>Institute of the Association of Accountants of Montenegro</u></p> <p>There is no international recognition of qualifications in Montenegro. IRRCG believes that mutual recognition should be deferred until a common acceptable standard of reform implementation has been achieved throughout the region.</p>
Romania CAFR	<p><u>Chamber of Auditors in Romania</u></p> <p>There is no international recognition of the CAFR qualification. The ACCA qualification is recognized based on an agreement between CAFR and ACCA. The regulation of the Chamber in this area is under revision to recognize the professional title granted by IFAC member bodies.</p>
Romania CECCAR	<p><u>Body of Expert and Licensed Accountants of Romania</u></p> <p>The CECCAR qualification expert accountant is recognized in Canada, Australia and Italy subject to additional testing. Professional qualifications from all EU countries are recognized after passing an oral interview and an examination in Romanian law and tax.</p>
Serbia SRRS	<p><u>Serbian Association of Accountants and Auditors</u></p> <p>There is reciprocal recognition of the qualification with SEEPAD member bodies. ACCA and CPA are recognized after tax and law examination and audit experience</p>

7.0 SEEPAD BENCHMARKING RESULTS

7.1 SYSTEM CHARACTERISTICS

SEEPAD benchmarking results are presented according to the following competency components:

- Professional Characteristics
- Education and Training
- Accounting, Finance and Related Knowledge
- Organizational and Business Knowledge
- Skills, Values, Ethics and Attitudes

The overview with the additional report of the External Evaluators, the benchmark information and the completed questionnaire can, for each professional body, be the basis for a Country Action Plan. These Action Plans are the responsibility of the professional body that can use the benchmarking results as the starting point for the Plans.

In addition the benchmark information has been summarized for the whole SEEPAD region to have a basis for a Regional Action Plan, which is the responsibility of SEEPAD.

7.2 SEEPAD BENCHMARKING SUMMARY

A summary of quantitative benchmark information is given in the following table. The first column gives the benchmarks that are used in the GAEB project. In the second column are the abbreviations that are used throughout this chapter.

The numbers in the matrix represent the number of professional bodies for which that specific value of the benchmark holds. In two situations the number does not add up to ten because one of the benchmarks is not applicable that professional body. See footnotes to Table 7.2.1. Consequently, each professional body has an indication of urgent development, critical or material deficiency or sustainable system.

7.2.1 Table on GAEB SEEPAD Summary

Benchmarks	ABRV	Urgent	Critical	Material	Sustainable
Professional Characteristics	PC				
3.1.9 Members	MM	2	2	1	5
3.2.9 New Members ⁶	NM	2	2	1	4
3.3.12 Continuing Professional Development	CPD	2	2	5	1
4.1.6 Qualification Standards	QS	3	0	4	3
4.1.11 International Recognition ⁷	IR	3	2	4	0
4.2.8 Higher Education	HE	0	2	2	6
5.1.14 Final Examination	FE	1	0	6	3
Overall Professional Characteristics		13	10	23	22
Education & Training	ET				
5.2.11 Professional Education	PE	1	2	4	3
5.2.12.11 Accounting, Finance & Related	AFR	0	2	7	1
5.2.13.11 Organizational & Business	OBK	1	4	5	0
5.2.14.1 Information Technology	IT	0	5	1	4
5.2.15.8 Skills, Values & Ethics	SVE	1	3	5	1
5.3.10 Practical Experience	PE	3	1	4	2
5.3.19 PE Providers	PR	2	2	2	4
Overall Education & Training		8	19	28	15

⁶ For IRRCG-Montenegro no new members will be accepted until 2005.

⁷For IRRCG-Montenegro, mutual recognition is deferred until a common acceptable standard of reform implementation has been achieved throughout the region.

Benchmarks	ABRV	Urgent	Critical	Material	Sustainable
Accounting, Finance & Related Knowledge	AFR				
5.2.12.2 Financial Accounting & Reporting	FA	1	2	5	2
5.2.12.3 Management Accounting & Control	MAC	0	6	2	2
5.2.12.4 Taxation	TA	0	1	3	6
5.2.12.5 Business & Commercial Law	BC	0	1	6	3
5.2.12.7 Audit & Assurance	AA	2	1	6	1
5.2.12.8 Finance & Financial Management	FFM	0	1	8	1
5.2.12.10 Professional Values & Ethics	PVE	2	1	5	2
Overall Accounting, Finance & Related Knowledge		5	13	35	17
Organizational & Business Knowledge	OBK				
5.2.13.1 Economics	EC	1	0	3	6
5.2.13.2 Business Environment	BE	0	2	5	3
5.2.13.3 Corporate Governance	CG	4	4	2	0
5.2.13.4 Business Ethics	BET	1	5	3	1
5.2.13.5 Financial Markets	FM	1	5	4	0
5.2.13.6 Quantitative Methods	QM	1	0	7	2
5.2.13.7 Organizational Behavior	OB	1	3	4	2
5.2.13.8 Management & Strategic Decision M.	MS	1	1	8	0
5.2.13.9 Marketing	MA	1	2	6	1

Benchmarks	ABRV	Urgent	Critical	Material	Sustainable
5.2.13.10 International Business & Globalization	IB	1	2	7	0
Overall Organizational & Business Knowledge		12	24	49	15
Skills, Values, Ethics & Attitudes	SVEA				
5.2.15.1 Intellectual Skills	IS	1	2	5	2
5.2.15.2 Technical & Functional Skills	TF	0	4	6	0
5.2.15.3 Personal Skills	PS	2	2	3	3
5.2.15.4 Interpersonal Skills	IP	1	3	4	2
5.2.15.5 Organizational & Business Management	OBM	1	7	1	1
5.2.15.6 Professional Education in Ethics	PEE	1	5	3	1
5.2.15.7 Practical Training in Ethics	PTE	2	6	1	1
Overall Skills, Values, Ethics & Attitudes		8	29	23	10

The graphical representation of benchmarks is presented in bar graphs and spider webs. The first bar graph illustrates, by number, the Professional Bodies' development indicators. The second bar graph illustrates, by percentage, the Professional Bodies' development indicators. The conclusions for future development are summarized and visualized in a different way by the use of spider webs; however, the spider webs are based on the same benchmarking information as the bar graphs.

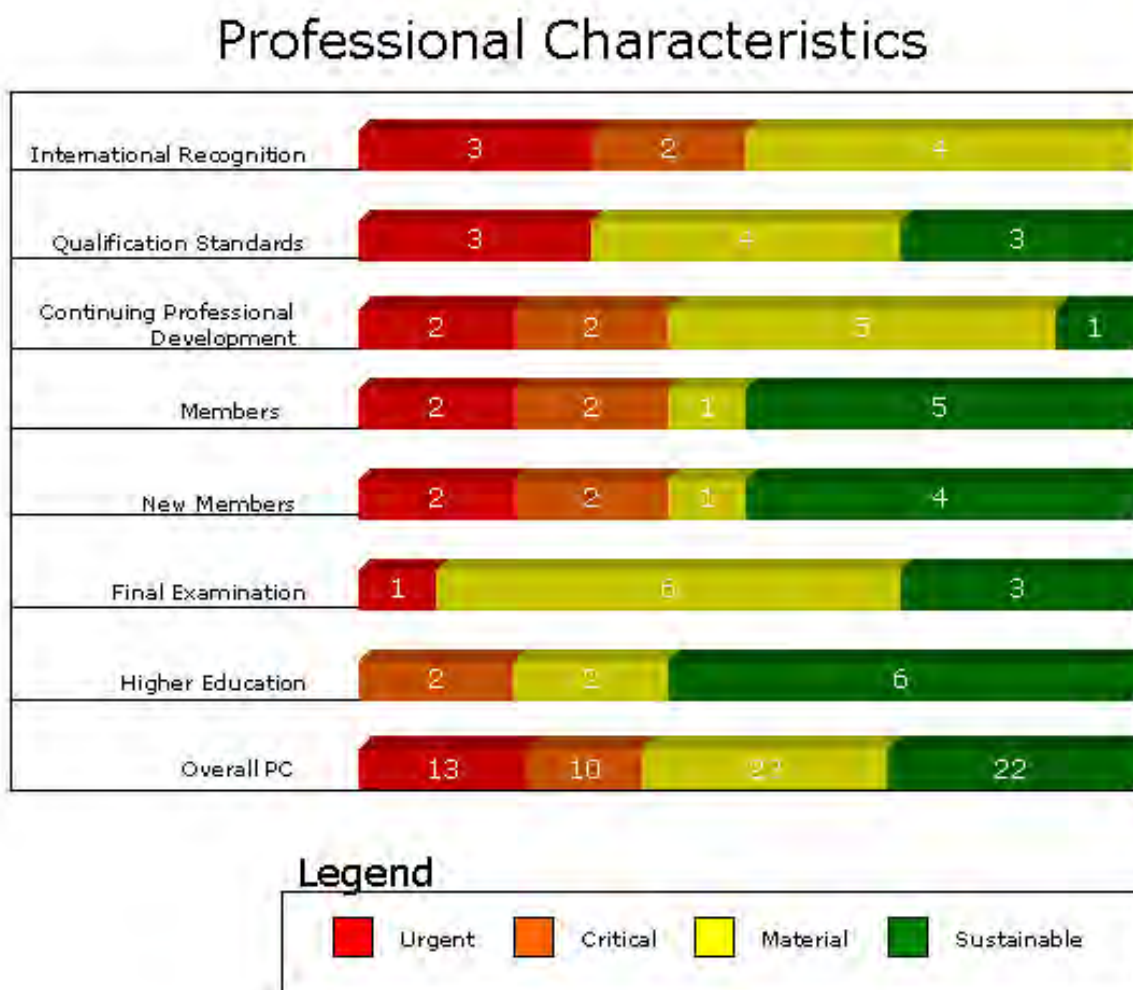
The values of the benchmarks are visualized by colors.

- **Dark Red** for Urgent Development
- **Red** for Critical Deficiencies
- **Yellow** for Material Deficiencies
- **Green** for Sustainable.

7.3 PRIORITIES FOR PROFESSIONAL CHARACTERISTICS

The graphical representations of benchmarks on professional characteristics show the urgency of development in that area for SEEPAD participating member bodies.

7.3.1 Numerical Bar Graph for SEEPAD Professional Characteristics

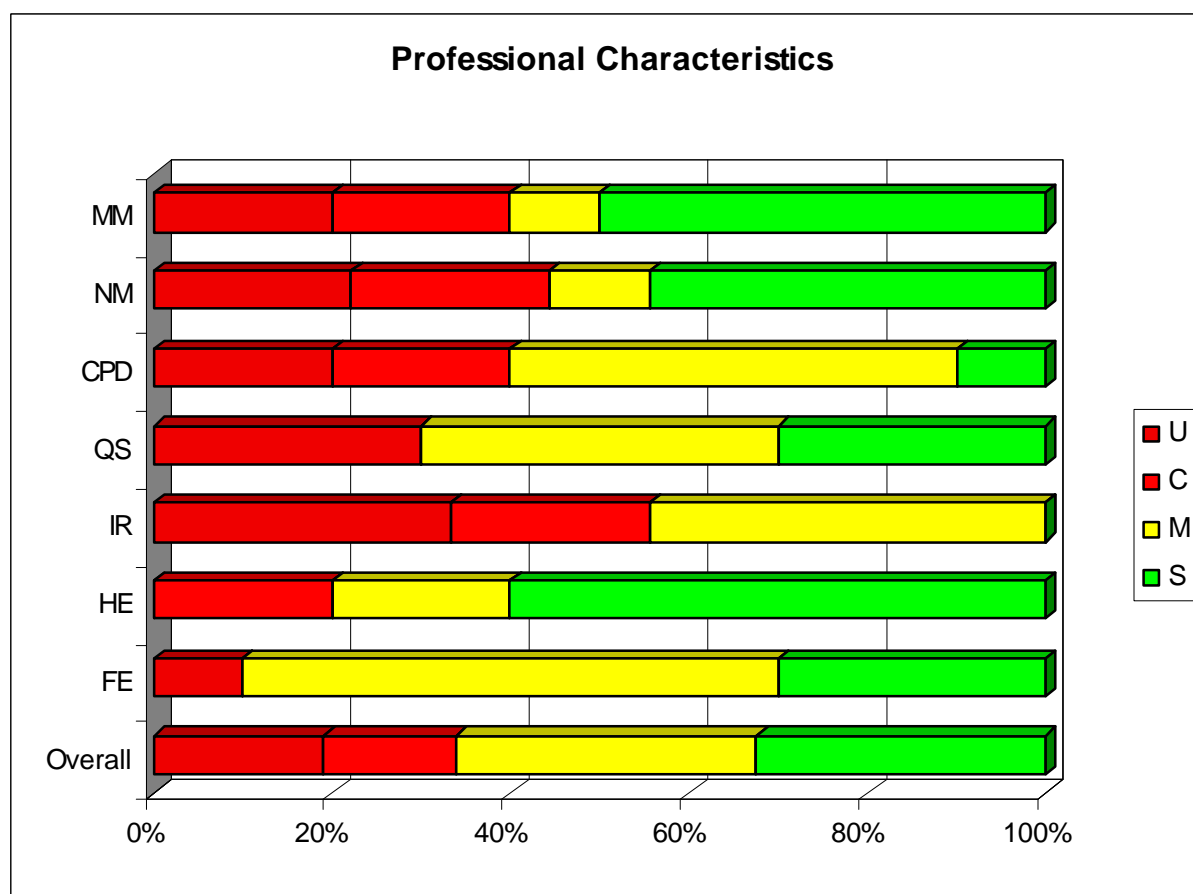


The three most urgent and critical areas for SEEPAD development in numerical order of importance are International Recognition, Qualification Standards, and Continuing Professional Development. Although the final examination does not indicate as an urgent deficiency in the numerical analysis, it should be included as such. The final examination underpins the qualification standards on which international recognition must be based. International recognition can only be achieved after upgrading qualification standards and final examination. The most practical way to approach mutual recognition is regional recognition first as a basis for outside agreement.

When considering the SEEPAD situation on the issue of international recognition of qualifications two separate situation exists. The first are accountants and auditors from other countries that work or want to work in a SEEPAD country. The second are accountants and auditors of SEEPAD countries, which work or want to work in other countries. A plan must be developed to achieve recognition of SEEPAD qualification for those accountants and auditors in SEEPAD countries that want to work outside the region. It should be accepted that there would be a time lag between outside in and inside out recognition. Evidence shows that by recognizing outside certifications, such as CPA, ACCA, CGA, etc., will strengthen the overall capabilities and competency of the SEEPAD region professional accountancy.

Action Plans for CPD must cover two separate issues. First, the Plans must cover the elements prescribed by IFAC such as requirements for individual members, regulation of compliance, availability of trainers, and suitable facilities. Second, is the development of adequate course content. This can be efficiently combined with the development of course content for professional education since the professional subject matter for members and for candidate members, overlap in a major way.

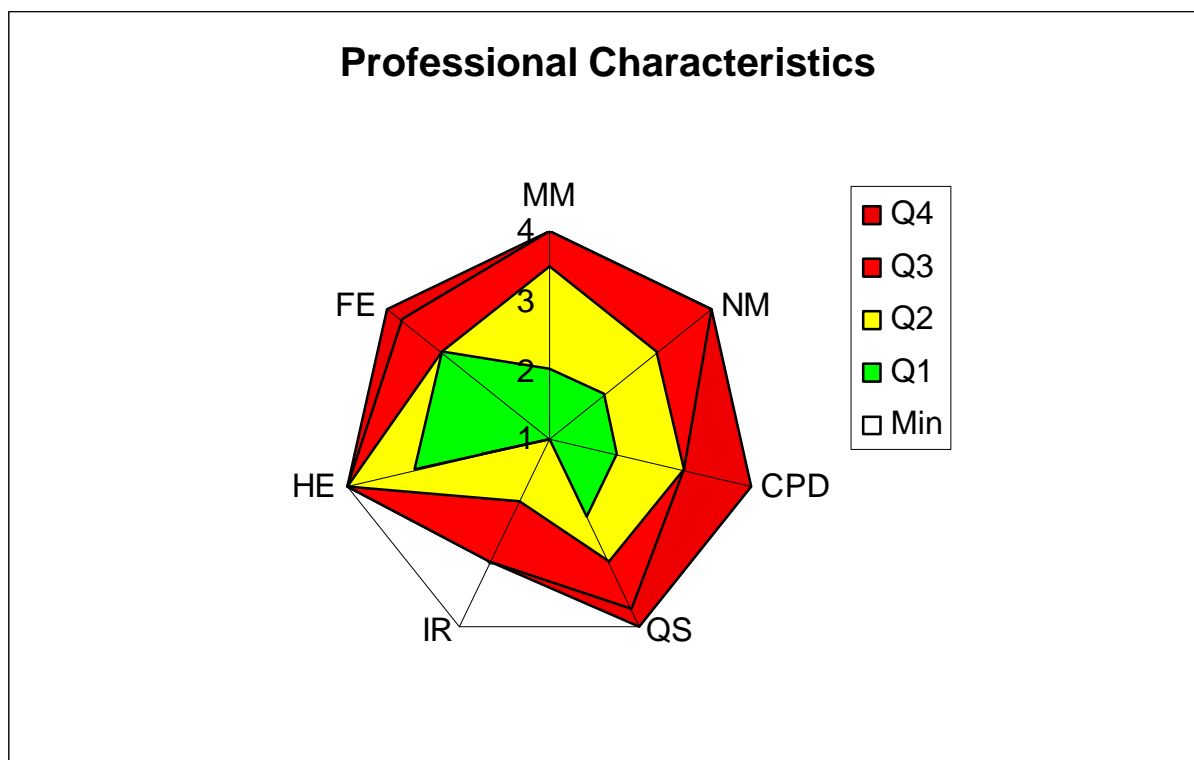
7.3.2 Percentage Bar Graph for SEEPAD Professional Characteristics



The Legend for the left axis of this table is as follows:

MM	Members
NM	New Members
CPD	Continuing Professional Development
QS	Qualification Standards
IR	International Recognition
HE	Higher Education
FE	Final Examination

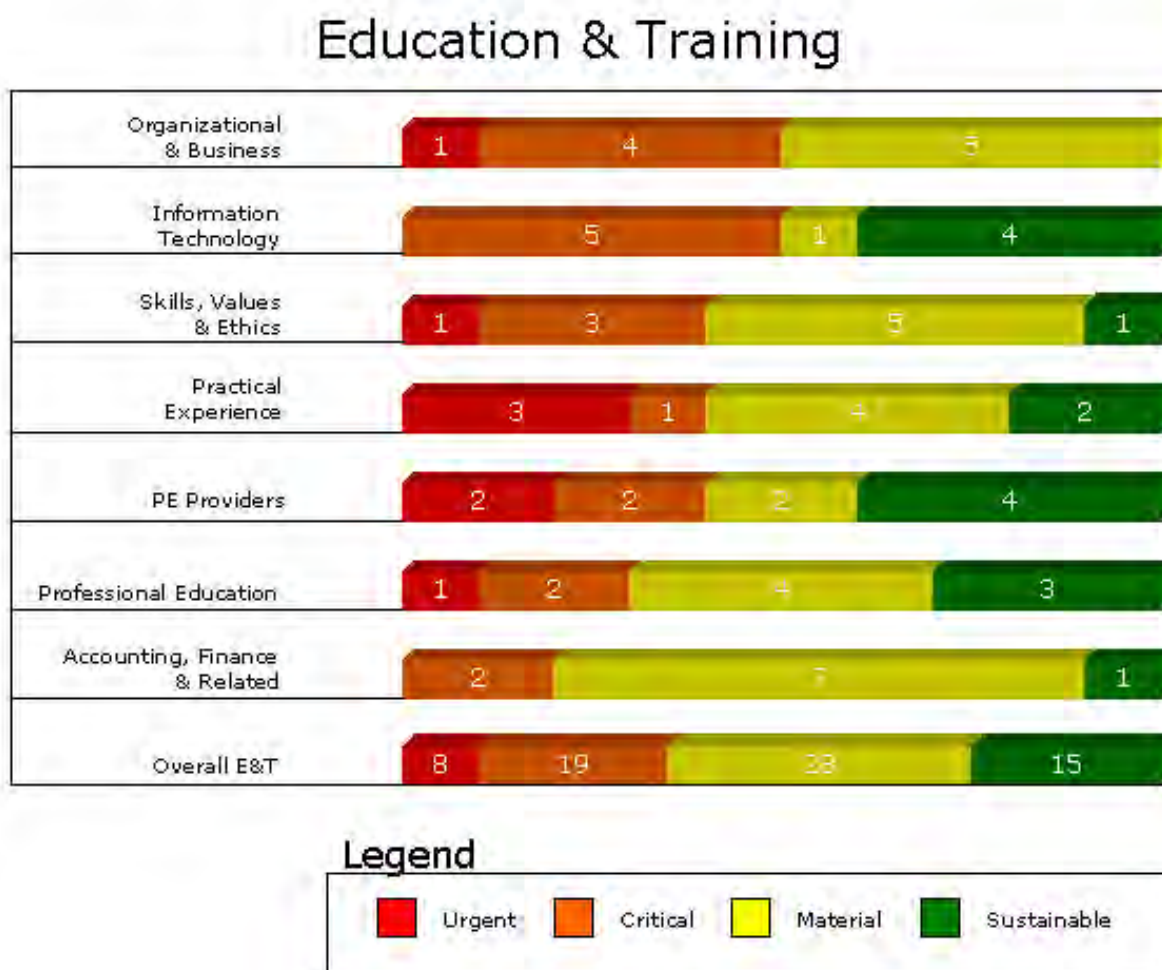
7.3.3 Spider Web for SEEPAD Professional Characteristics



7.4 PRIORITIES FOR EDUCATION AND TRAINING

The graphical representation of benchmarks on education and training show the urgency of development in that area for SEEPAD member bodies.

7.4.1 Numerical Graph for SEEPAD Education and Training



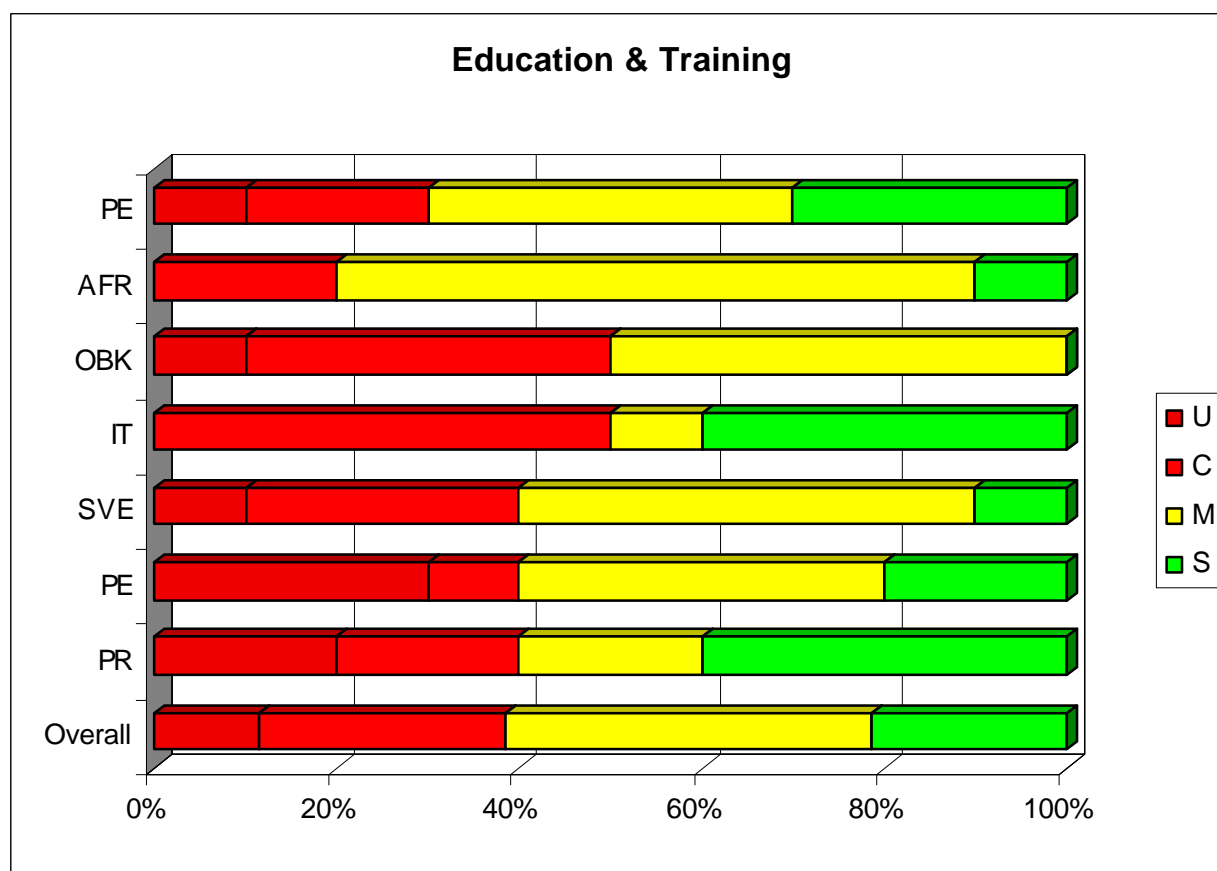
The four most urgent areas for SEEPAD development in numerical order of importance are organizational and business knowledge, information technology, skills, values and ethics, and practical experience.

Benchmarks on Education and Training cover the most important elements of the qualification requirements of accountants and auditors leading to the final examination. The benchmark on professional education is the result of the analysis of the existing educational system (university system and professional body) and whether it is adequate to cover the IFAC requirement for content. Educational system includes the way decisions on program content are made, and the necessary availability of teaching staff, materials and facilities.

Organizational and business knowledge covers the necessary business core curriculum. In most cases the universities develop the business core. The benchmarking analysis indicated major gaps between programs available at the moment and international standards. In addressing the gaps in organizational and business knowledge professional bodies need to cooperate with the universities. First steps to be taken are to convince the universities that inclusion of the IFAC program is also to the best interest of the students who do not seek a career in accounting but in other areas of finance and related fields. Based on mutual cooperation with the universities an Action Plan can be developed. See 7.6 Organizational and Business Knowledge Summary.

Under the Accounting, Finance and Related heading are those subjects for the core accounting curriculum. In general, the professional body has a high degree of responsibility for this part of the curriculum. The professional body through the implementation of Action Plans can directly address gaps. See 7.5 Accounting, Finance and Related Knowledge Summary.

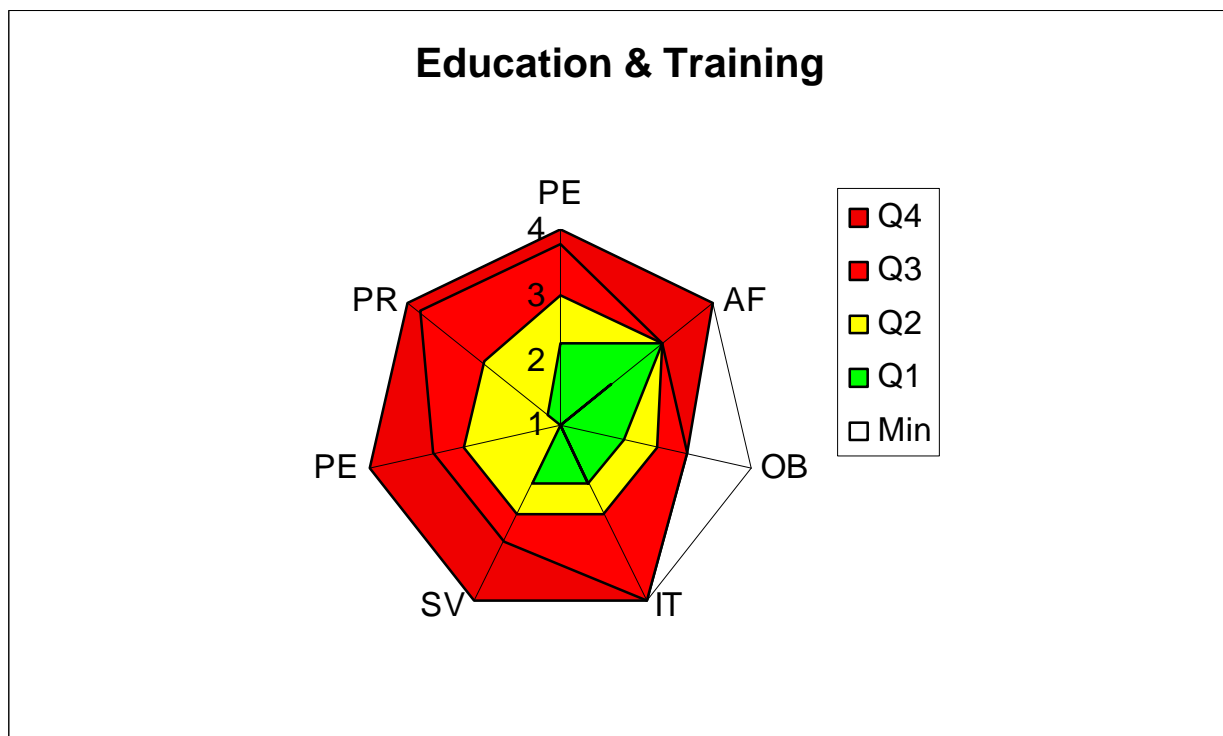
7.4.2 Percentage Graph for SEEPAD Education and Training



The Legend for the left axis of the table is as follows:

PE	Professional Education
AFR	Accounting, Finance and Related Knowledge
OBK	Organizational and Business Knowledge
IT	Information Technology
SVE	Skills, Values and Ethics
PE	Practical Experience
PR	Providers of Practical Experience

7.4.3 Spider Web for SEEPAD Education and Training

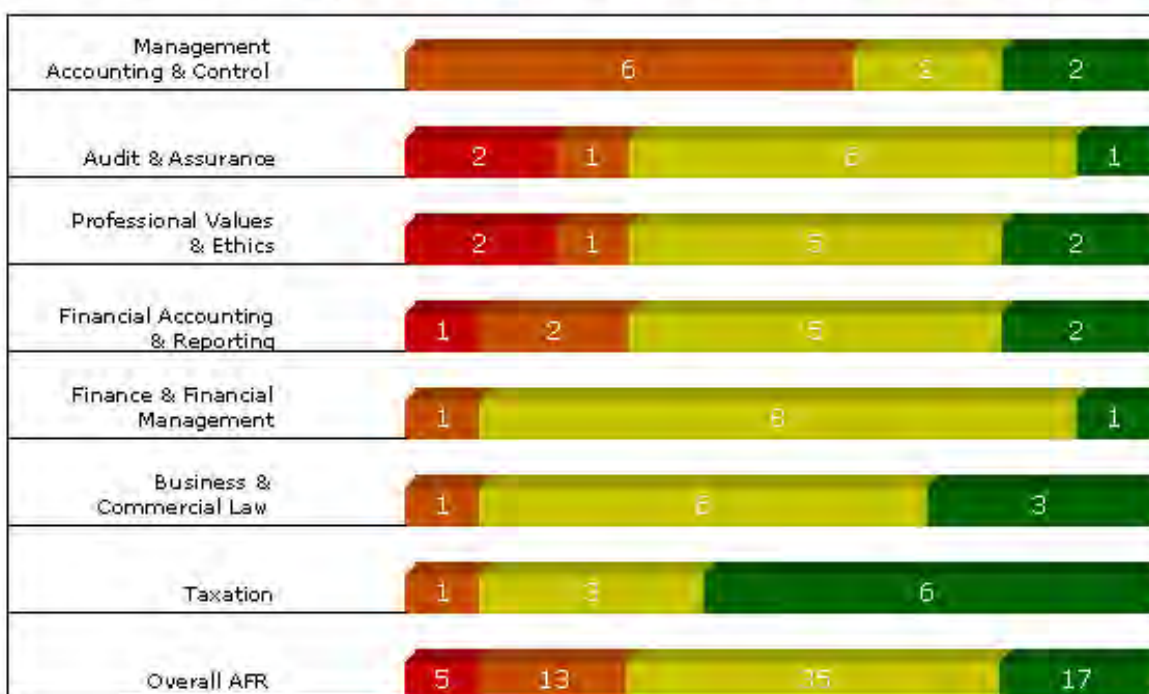


7.5 PRIORITIES FOR ACCOUNTING, FINANCE AND RELATED KNOWLEDGE

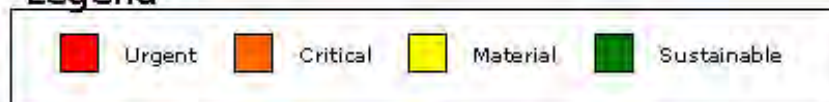
The graphical representation of benchmarks on accounting, finance and related knowledge show the urgency of development in that area for SEEPAD member bodies.

7.5.1 Numerical Graph for SEEPAD Accounting, Finance & Related Knowledge

Accounting, Finance & Related Knowledge



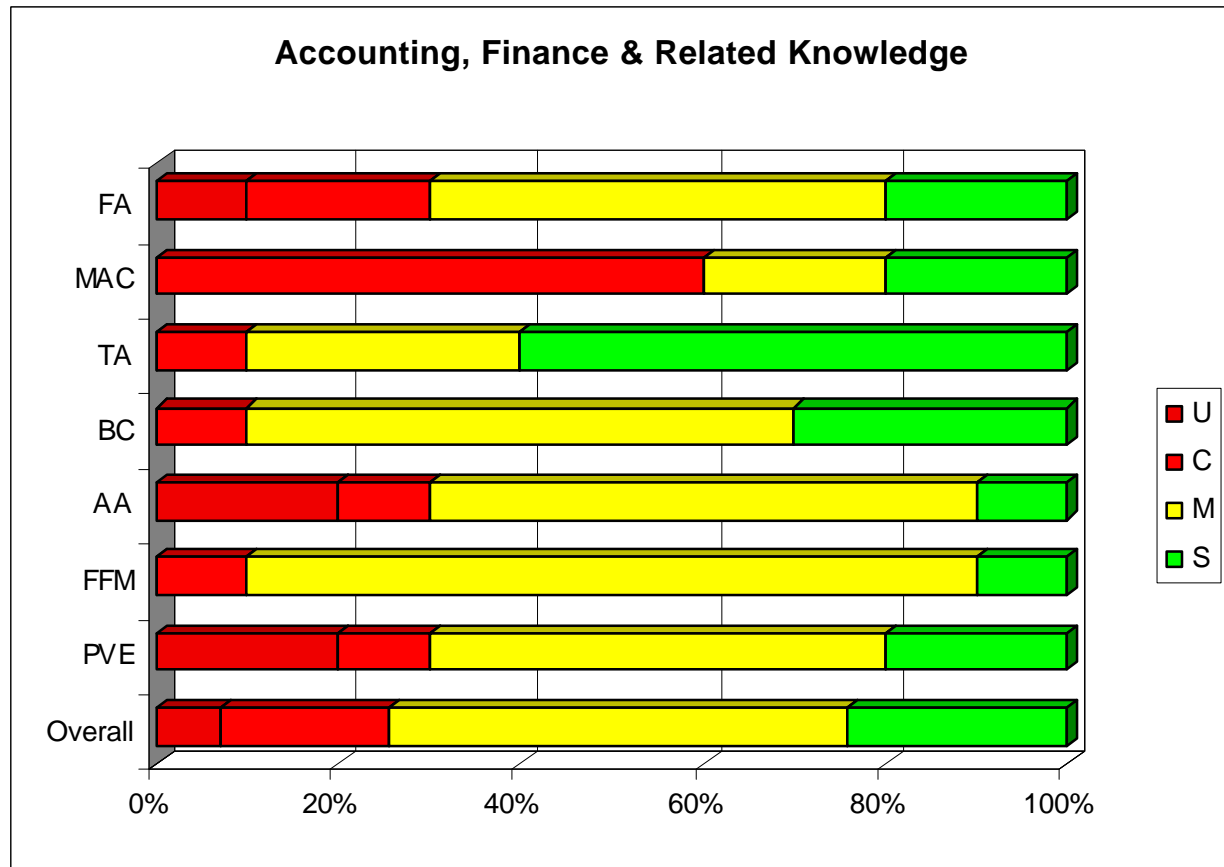
Legend



The four most urgent areas in numerical order of importance for SEEPAD to address are Management Accounting and Control, Audit and Assurance (includes International Auditing Standards), Professional Values and Ethics and Financial Accounting and Reporting (includes International Financial Reporting Standards). The application of International Financial Reporting Standards and International Auditing Standards is particularly important as these two areas are critical to the confidence financial markets, multinational corporations and regulators have toward a country's accounting and reporting systems. These standards are also in constant state of change requiring a professional body to have the resources to update materials very rapidly.

In a competency approach to accounting education, skills, values, ethics and attitudes should be included in both professional education and practical training.

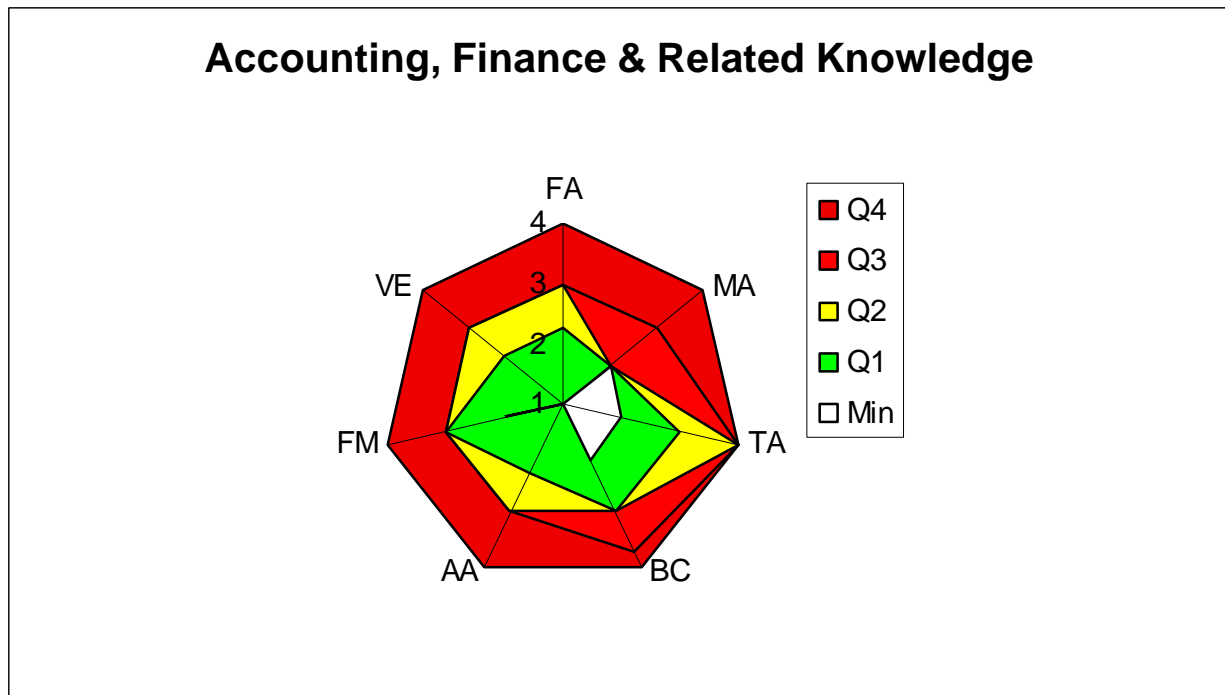
7.5.2 Percentage Graph for SEEPAD Accounting, Finance & Related Knowledge



The Legend for the left axis of this table is as follows:

FA	Financial Accounting and Reporting
MAC	Management Accounting and Control
TA	Taxation
BC	Business and Commercial Law
AA	Audit and Assurance
FFM	Finance and Financial Management
PVE	Professional Values and Ethics

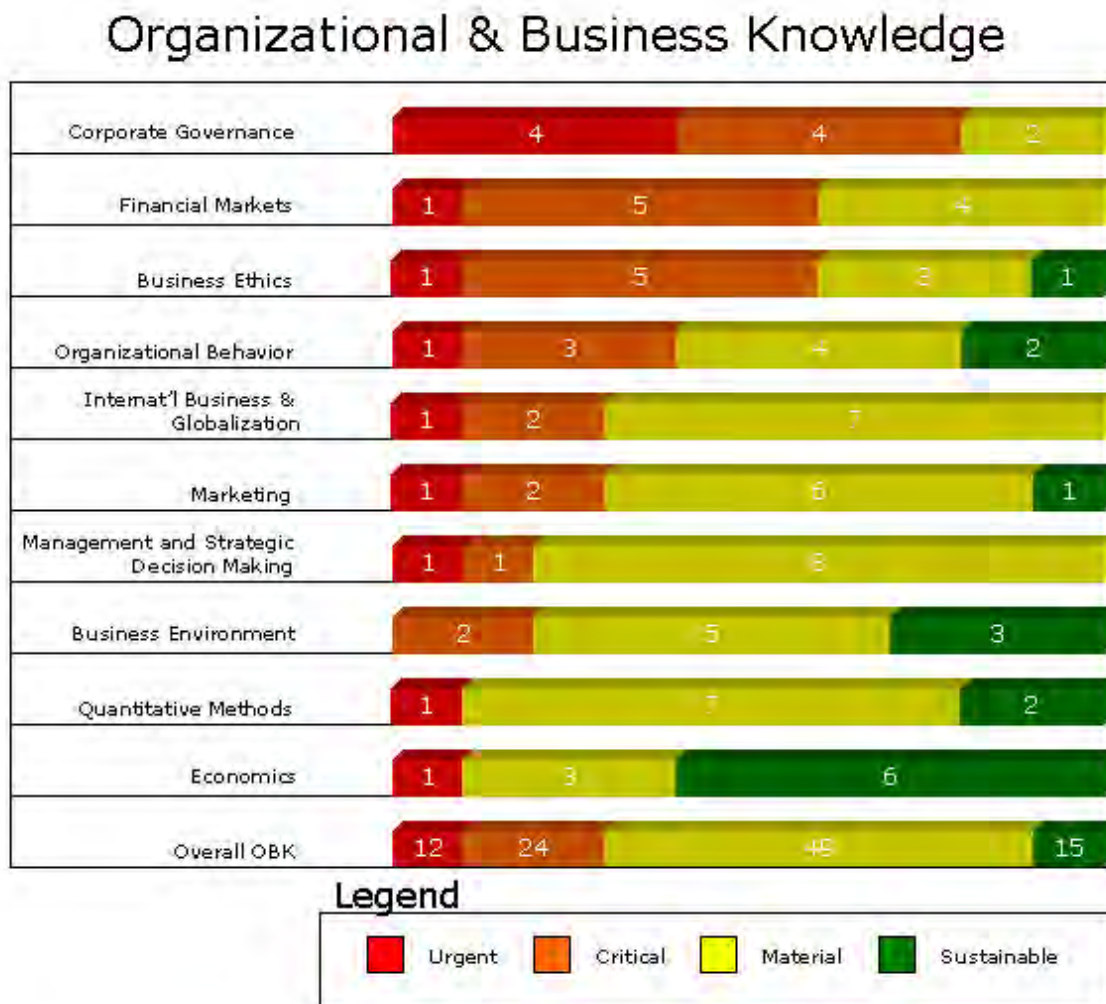
7.5.3 Spider Web for SEEPAD Accounting, Finance & Related Knowledge



7.6 PRIORITIES FOR ORGANIZATIONAL AND BUSINESS KNOWLEDGE

The graphical representation of benchmarks on organizational and business knowledge show the urgency of development in that area for SEEPAD member bodies.

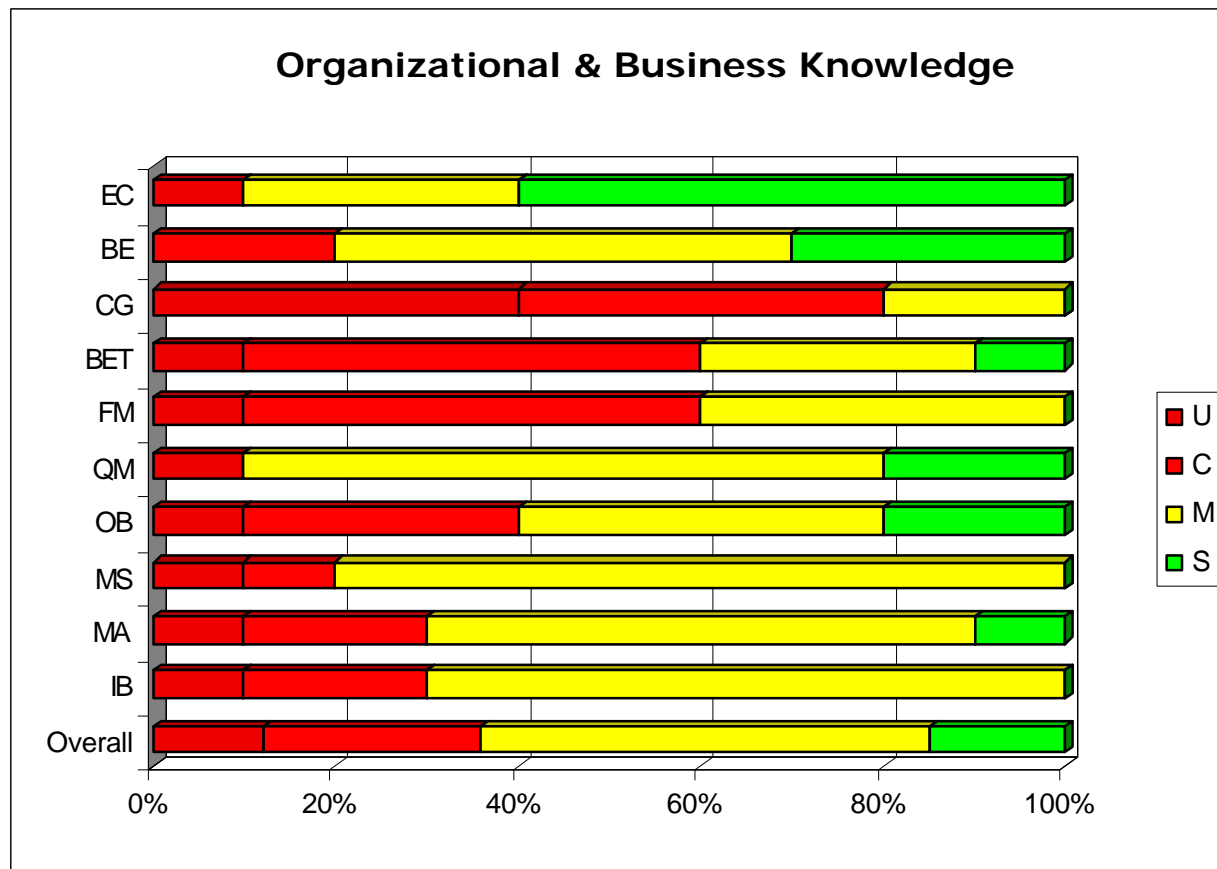
7.6.1 Numerical Graph for SEEPAD Organizational & Business Knowledge



As shown by the analysis, the five most urgent areas for SEEPAD are Corporate Governance, Financial Markets, Business Ethics, Organizational Behavior, International Business and Globalization.

This target deserves general support and adequate inclusion in the university curriculum as these subjects are of major relevance for all financial functions not only for accountants and auditors.

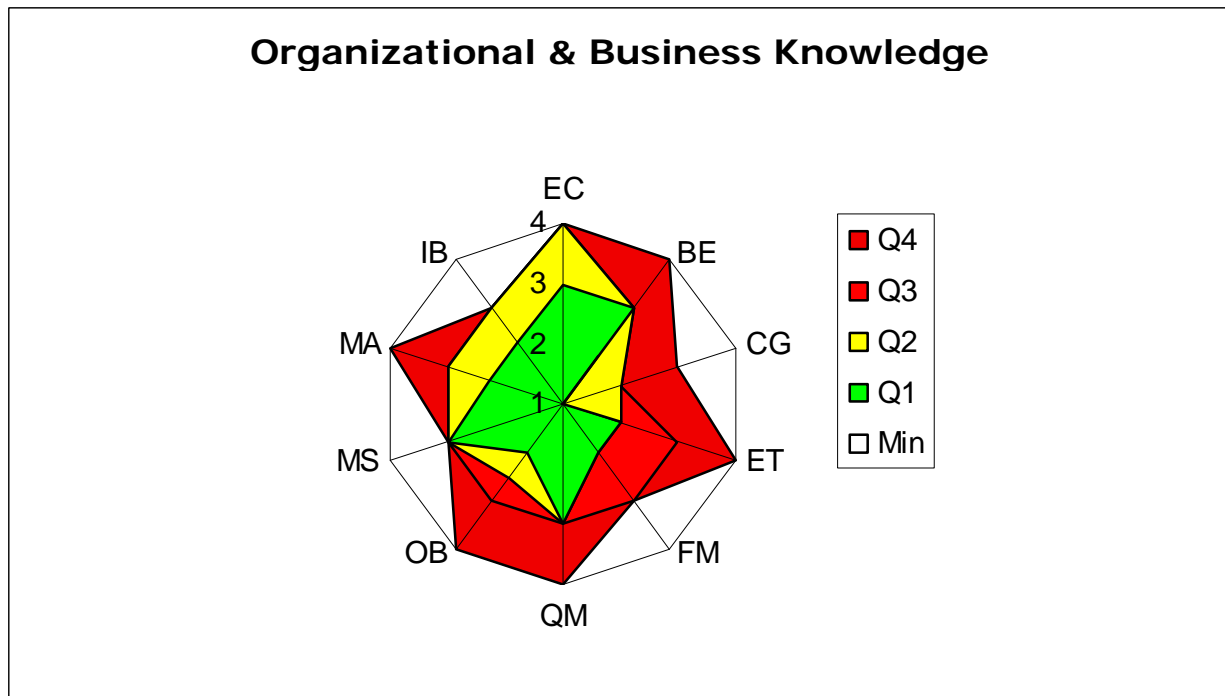
7.6.2 Percentage Graph for SEEPAD Organizational & Business Knowledge



The Legend for the left axis of this table is as follows:

EC	Economics
BET	Business Environment
CG	Corporate Governance
ET	Business Ethics
FM	Financial Markets
QM	Quantitative Methods
OB	Organizational Behavior
MS	Management and Strategic Decision Making
MA	Marketing
IB	International Business and Globalization

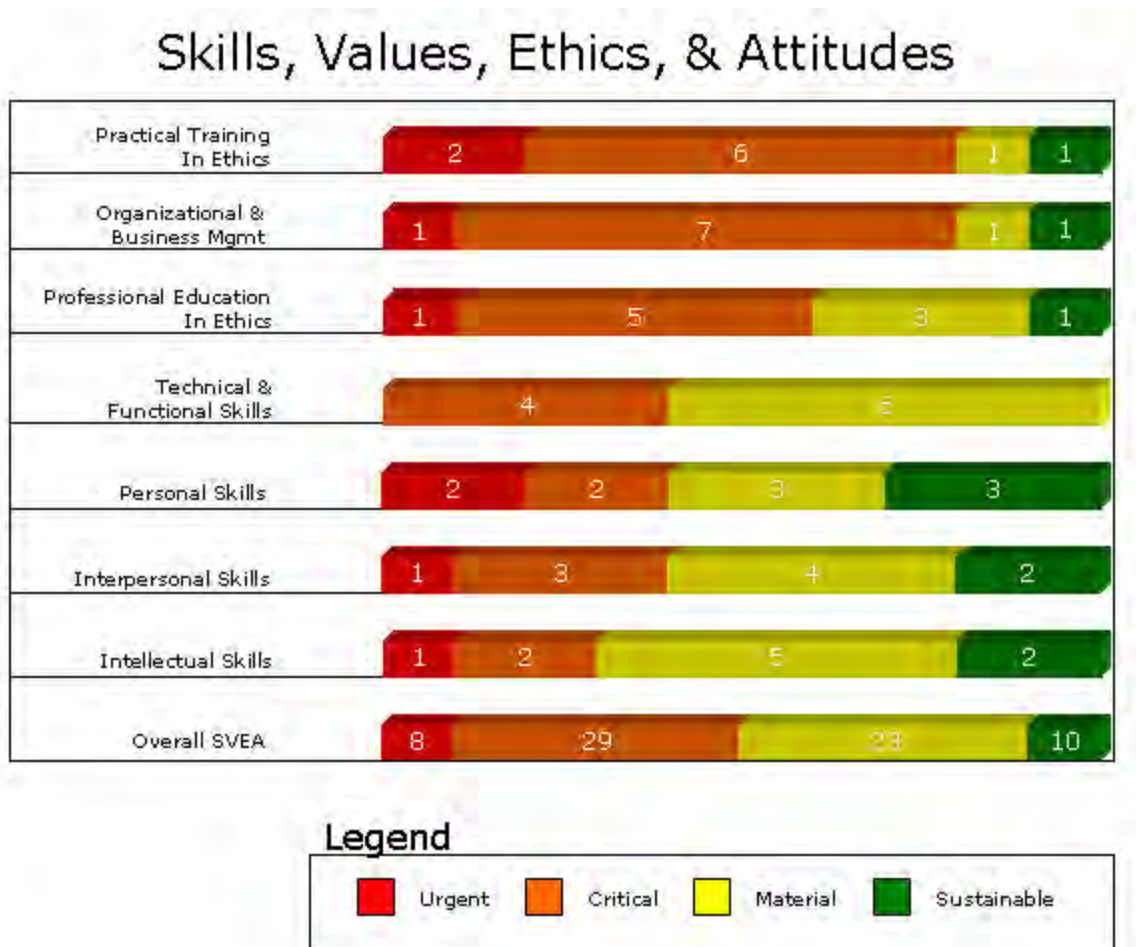
7.6.3 Spider Web for SEEPAD Organizational & Business Knowledge



7.7 PRIORITIES FOR SKILLS, VALUES, ETHICS AND ATTITUDES

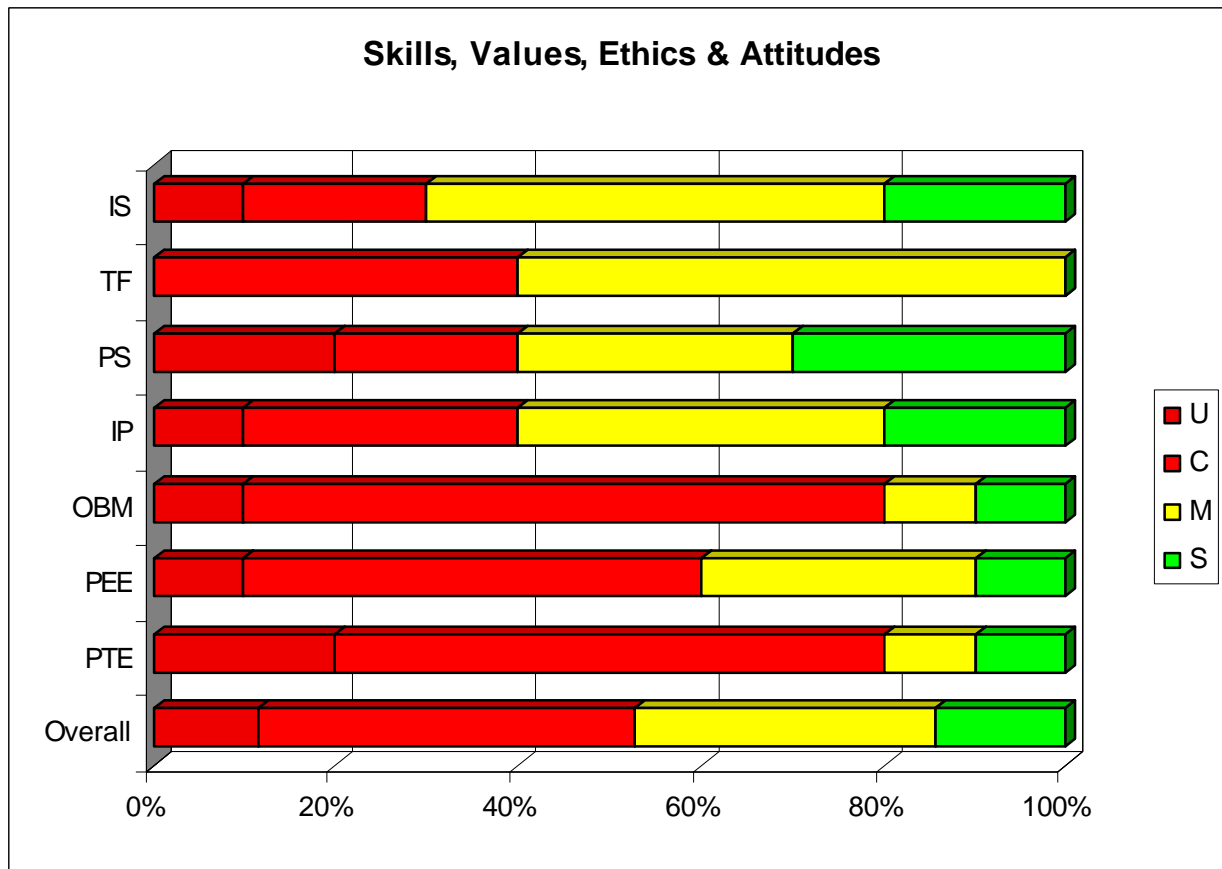
The graphical representation of benchmarks on skills, values, ethics and attitudes show the urgency of development in that area for SEEPAD member bodies.

7.7.1 Numerical Graph for SEEPAD Skills, Values, Ethics, & Attitudes



Candidates develop their skills in Professional Education and in Practical Training. The benchmarking analysis identified, in numerical order, four urgent areas to be addressed by SEEPAD. These are Practical Training in Ethics, Organizational and Business Management, Professional Education in Ethics and Technical and Functional Skills.

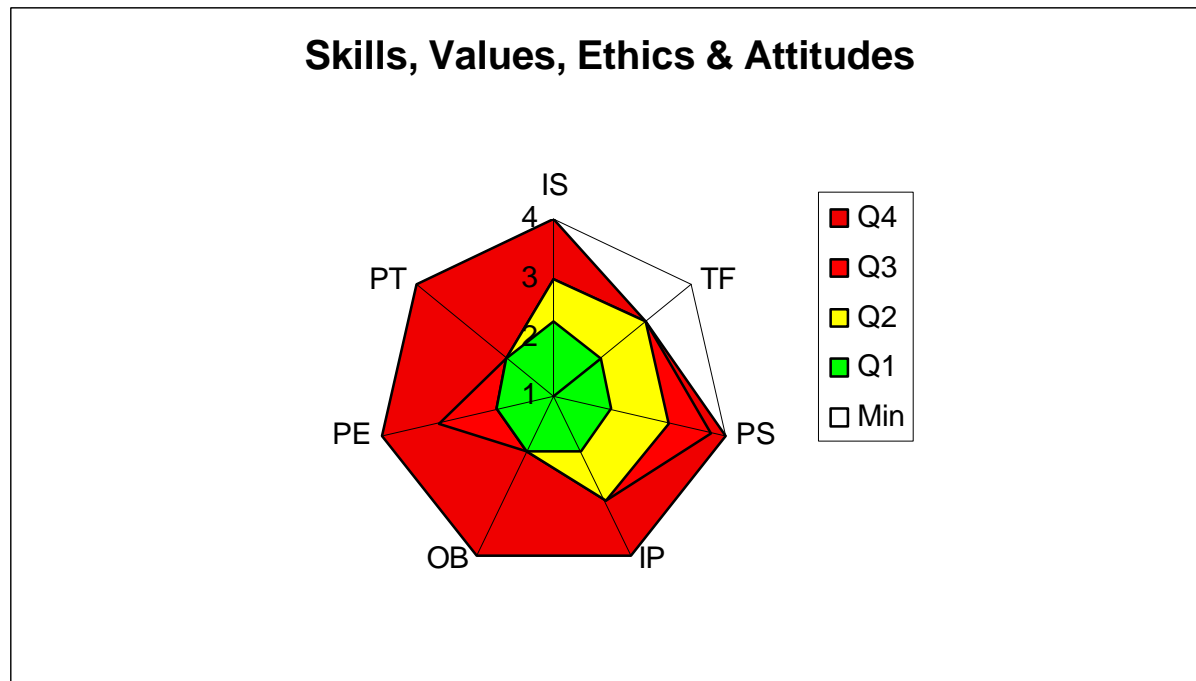
7.7.2 Percentage Graph for SEEPAD Skills, Values, Ethics, & Attitudes



The Legend for the left axis of this table is as follows:

IS	Intellectual Skills
TF	Technical and Functional Skills
PS	Personal Skills
IP	Interpersonal Skills
OBM	Organizational and Business Management
PEE	Professional Education in Ethics
PTE	Practical Training in Ethics

7.7.3 Spider Web for SEEPAD Skills, Values, Ethics, & Attitudes



7.8 CONCLUSION

In conclusion four major areas for future development have been identified.

- Development of international acceptable qualifications for SEEPAD member bodies leading to mutual recognition together with strengthening the examination infrastructure.
- Development of programs and expertise for both initial professional education and continuing professional development.
- Strengthen both core accounting and core business education and training.
- Development of skills during practical experience in a suitable professional environment.

Starting from a difficult position SEEPAD has already made significant progress towards the development of an internationally compatible accountancy profession, yet a challenging task remains. This task, although difficult is well worth the endeavor and its achievement can make an important contribution to regional harmonization and stability and to full EU integration.

8.0 EU COMPARISON COUNTRIES

8.1 SELECTION OF EU COMPARISON COUNTRIES

In the GAEB Global Accountancy Education Benchmarking initiative professional qualification, education and training in the SEEPAD member bodies have been compared with international education standards, directives and guidelines. In addition a comparison is made with selected countries in the European Union. Information about these countries is available through the 2002 GAE Global Accountancy Education research project. The material has been updated for the 2005 situation.

EU countries in Western Europe included France, Germany and United Kingdom. The professional bodies include Ordre des Experts-Comptables in France, Institut der Wirtschaftsprüfer in Germany, and, Association of Chartered Certified Accountants in the UK and Institute of Chartered Accountants of Scotland.

EU countries in Eastern Europe included Czech Republic, Hungary and Poland. The professional bodies include Chamber of Auditors of the Czech Republic; Chamber of Hungarian Auditors in Hungary, and, National Chamber of Statutory Auditors in Poland.

8.2 REGION AND REGULATION

The United Kingdom has a common law background while France and Germany have a civil law background. ACCA and ICAS in the UK place an emphasis on professional self-regulation. On the other hand, OEC in France and IDW in Germany emphasize government regulation.

All professional bodies are members of IFAC, and, the European Federation of Accountants (FEE). ACCA is an associate member of the ASEAN Federation of Accountants, of the Confederation of Asian and Pacific Accountants and of the Eastern, Central and Southern African Federation of Accountants. OEC is a member of, the Fédération Internationale des Experts-Comptables Francophones (FIDEF).

For all the professional bodies regulation is consistent with the country characteristics. Compared with the other common law countries the relatively high government influence in the UK can be explained by EU regulation.

With the exception of ACCA (which is phasing in mandatory CPD from 2006), professional self-regulation of mandatory membership and mandatory CPD is classified as high. There is no difference in relation to a common law or civil law background. For ACCA the classification is medium because CPD outside public practice is not mandatory. It has to be noted that this is a direct result of the methodology that has been chosen. If instead of giving the same weight to all employment sectors priority had been given to public practice the classification for ACCA would also have been high. ICAS has also mandatory CPD for all employment sectors but regulation by ICAS only in public practice.

The Czech Republic, Hungary and Poland have a civil law background. Poland (KIBR) places emphasis on professional self-regulation while CACR of the Czech Republic and CHA of Hungary place the emphasis on government regulation. CACR is a member of FEE.

Similarities in legal system, major trade alliances and EU membership are the reasons to consider these countries together. Except for KIBR in Poland regulation is consistent with the country characteristics. It is interesting that KIBR as an organization of auditors shows an emphasis on professional self-regulation, which is quite consistent through all the elements that are considered in the regulation index. Professional self-regulation of mandatory membership and mandatory CPE is classified as high.

8.3 PROFESSIONAL QUALIFICATION AND BACKGROUND

Except for IDW the common qualification objective is “accountant” and “auditor”. For IDW it is “auditor”. Almost all members and new members of IDW work in public practice. The other professional bodies have between 25% and 50% of members in public practice. The same is true for the number of new members in public practice.

For IDW more than 75% of new members have an accountancy, finance or business university degree. ICAS have an emphasis on candidates with an accountancy, finance or business university degree. In addition there is a considerable input of candidates with a general university degree. ACCA also has a fairly large proportion of candidates with accountancy, finance or business higher education. This could be a result of the international position of its program. Members of OEC come from universities (management education), business schools and colleges.

Recent information about gender is not available. In 2000 for IDW and ICAS both the percentage of female members and the percentage of new female members was less than 25. For ACCA the percentage of female members was between 25 and 50 and the percentage of new female members was less than 25. Information about OEC was not available.

Except for KIBR the common qualification objective is “accountant” and “auditor”. For KIBR it is “auditor”. It is interesting that CACR as an institute of auditors includes the qualification objective of “accountant”. This resembles the situation in the EU where regulation concerns auditors and most professional bodies include accountants. CACR, CHA and KIBR have more than 75% of members in public practice. Almost all new members of CACR and more than 75% for KIBR also work in public practice. For CHA this number is less than 50%.

CACR, CHA and KIBR have an emphasis on candidates with an accountancy, finance or business university degree. In addition for KIBR there is a considerable input of candidates with a general university degree and for CHA with accountancy, finance or business higher education. In fact for CHA that percentage is almost 50%.

Recent information about gender is not available. In 2000 for CACR the percentage of female members was between 25 and 50; the percentage of new female members was less than 25. For CHA and KIBR the percentage of female members was between 25 and 50; the percentage of new female members was less than 25.

8.4 FINAL EXAMINATION

In general for common law countries a higher emphasis on practice can be expected then in civil law countries. On the other hand the actual situation may very well depend on the actual contribution of higher education to accountancy education, both in content and in number of students. In industrialized countries with a high participation in higher education, prospective accountants will, in general, start their professional education and training after they have already reached a certain expertise. The professional body or regulatory agency recognizes this situation. As a result it becomes possible to concentrate additional professional education and the final examination more on the practical aspects of the accountancy profession.

In emerging countries and countries in transition it may presently be necessary to concentrate more on knowledge. This approach could be reflected in the final examination. Last, the effects of regulation have to be considered as is shown in the European Union where practical experience before qualification as an auditor is now mandatory.

If the effect of EU regulation is taken into account the final examination is consistent with the country characteristics for OEC, IDW and ICAS. IDW shows a tendency towards theory, OEC towards practice. The main reason for the orientation of ACCA towards theory, close however to a mixed approach, is that practical experience before the membership examination is not mandatory. For ACCA (and ICAS) qualification, as an auditor, is a post-membership qualification as the final examination for Registered Auditors comes after an additional two years of training in an Approved Training Practice.

In general the final examination is consistent with the country characteristics. CACR has an orientation on theory because practical experience before the final examination is not requested. It is close to a mixed approach. The other professional bodies have a mixed approach that is close to an orientation on theory.

8.4.1 Table on EU Final Examination Core Programs

Professional Body	Final Examination Core Programs
ACCA UK	<u>Association of Chartered Certified Accountants</u> ACCA's membership qualification includes 14 written examinations divided into three parts. The final part consists of three core papers plus two papers chosen from four options.
ICAS UK	<u>Institute of Chartered Accountants of Scotland</u> 50% technical and 50% communicative in a case study format.
IDW Germany	<u>Institut der Wirtschaftsprüfer in Deutschland</u> Accounting, Financial Statement Audit, Other Audits, Business Administration, Economics, Business Law, Tax Law.
OEC France	<u>Ordre des Experts-Comptables</u> The final examination includes three tests with no possible exemptions: 1. A thesis on a subject related to the professional domain 2. A written test on the statutory and contractual auditing of financial statements 3. An oral test related to the traineeship and covering professional knowledge in general.
CACR Czech Republic	<u>Chamber of Auditors of the Czech Republic</u> The final exam consists of 7 written and a final oral exam. Written exams: 1. Macro- and Microeconomics 2. Accounting 3. Business Combinations and Consolidated Accounts 4. Business, Civic and Financial Law including Taxation 5. Corporate Finance 6. Statistics and Information Technology 7. Auditing.
CHA Hungary	<u>Chamber of Hungarian Auditors</u> The final examination consists of six topics: Law (the learning course consists of 60 class hours); Organization and Management (the learning course consists of 45 class hours); Finance (the learning course consists of 75 class hours); Accountancy and Analysis (the learning course consists of 140 class hours); Organization of Accountancy (Similar to Information Technology) (The learning course consists of 80 class hours); Auditing and Internal Control (The learning course consists of 120 class hours). Auditing and Internal Control is the last important examination, because it consists of all the components of the formal education.

Professional Body	Final Examination Core Programs
<p>KIBR Poland</p>	<p><u>National Chamber of Statutory Auditors</u></p> <p>The final exam is an oral exam and tests the experience gained during practice as well as theoretical knowledge in the areas of financial accounting, economics and management, civil law, labor law, economic law, tax law, finance, cost accounting and management accounting, financial statements and analysis of financial statements, auditing and other services rendered by auditors.</p>

8.5 PROFESSIONAL EDUCATION AND PRACTICAL EXPERIENCE

Professional education and practical experience are discussed together with degree requirements and the final examination in order to get a clear picture of the whole system and the relations between the elements.

- *EU Countries in Western Europe:* Overviews are given of ACCA, ICAS, IDW and OEC.
- *EU Countries in Eastern Europe:* Overviews are given of CACR, CHA and KIBR.

8.5.1 Table on EU Professional Education Core Programs

Professional Body	Professional Education Core Programs
ACCA UK	<u>Association of Chartered Certified Accountants</u> The examinations papers cover the following: 1.1 Preparing financial statements; 1.2 Financial information for management; 1.3 Managing people; 2.1 Information systems; 2.2 Corporate and business law; 2.3 Business taxation; 2.4 Financial management and control; 2.5 Financial reporting; 2.6 Audit and internal Review; 3.1 Audit and assurance services; 3.2 Advanced taxation; 3.3 Performance measurement; 3.4 Business information management; 3.5 Strategic business planning and development; 3.6 Advanced corporate reporting; 3.7 Strategic information management.
ICAS UK	<u>Institute of Chartered Accountants of Scotland</u> Attendance at compulsory ICAS classes and completion of education program. This requires a three/four-year university degree plus a three-year training contract during which students follow up to 26 weeks of full time ICAS classes.
IDW Germany	<u>Institut der Wirtschaftsprüfer in Deutschland</u> A university degree in business administration or law recognized in Germany (eg. Diplom-Kaufmann, etc.) and the final Examination are required. There are no additional professional educational programs required. The legally required minimum duration for the university is 8 semesters (four years), but the majority takes ten to twelve semesters (five to six years). The additional examination tutoring usually requires an additional one to two years of part-time study during the period of practical work experience.

Professional Body	Professional Education Core Programs
<p>OEC France</p>	<p><u>Ordre des Experts-Comptables</u></p> <p>To succeed to a complete syllabus divided into 16 parts corresponding to 3 diplomas: - Diplôme préparatoire aux études comptables et financières, DPECF (preliminary accounting diploma); - Diplôme d'études comptables et financières, DECF (intermediate accounting diploma); - Diplôme d'études supérieures comptables et financières, DESCF (higher accounting diploma). The whole curriculum requires a learning period of 8 years, including the three-year training period.</p> <p>Core program of professional education: DPECF (5 written tests): 1/ introduction to business law 2/ economics 3/ quantitative methods, mathematics and statistics 4/ accounting 5/ French and foreign languages. DECF (7 written tests): 1/ business law and tax law 2/ credit law, labor law and contentious law 3/ organization and management 4/ financial management 5/ mathematics, statistics and information technology 6/ financial accounting and auditing 7/ management accounting and management control DESCF (2 written tests and 2 oral tests): 1/ accounting and law 2/ accounting and management 3/ economics (oral) 4/ discussion on a report of 6 - week practical training period (oral) DEC (3 examinations): 1/ written test in audit to insure that the candidates have the ability to make a decision (to certify or not the financial statements) and to discuss a complex situation; 2/ oral test, experience assessment 3/ discussion of a thesis which test the ability to perform research, autonomy in thinking, and the ability to carry out self education.</p>
<p>CACR Czech Republic</p>	<p><u>Chamber of Auditors of the Czech Republic</u></p> <p>Macroeconomics and Microeconomics, Accounting, Business Combination and Consolidated Accounts Business, Civic and Financial Law (Including Taxation, Social and Health Insurance), Corporate Finance, Quantitative Methods and Information Technology, Auditing, Final Oral Exam.</p>
<p>CHA Hungary</p>	<p><u>Chamber of Hungarian Auditors</u></p> <p>Subjects Law, Organization and Management, Finance, Financial and Management Accounting, IT, Auditing and Internal Control. Full time and part time; total minimal class hours 520 in 2 years.</p>
<p>KIBR Poland</p>	<p><u>National Chamber of Statutory Auditors</u></p> <p>The core program of professional education includes 10 subjects: financial accounting - part 1; economics and management; civil law, labor law, economic law; tax law - part 1; finance; tax law - part 2; financial accounting – part 2; cost accounting and management accounting; financial statements and analysis of financial statements; auditing and other services rendered by auditors.</p>

8.5.2 Table on EU Practical Training Core Programs

Professional Body	Practical Training Core Programs
<p>ACCA UK</p>	<p><u>Association of Chartered Certified Accountants</u></p> <p>To become a member, candidates must obtain three years supervised relevant practical experience, satisfy ACCA's competence requirements and record their experience in a training record. To become a Registered Auditor candidates must obtain a further two years post-membership supervised training, satisfy ACCA's competences for auditors and record their experience in a training record (as well as passing an Audit Orientation Course and Test).</p>
<p>ICAS UK</p>	<p><u>Institute of Chartered Accountants of Scotland</u></p> <p>At least 450 days experience excluding study holiday and administration. Minimum 43 days in three subject areas. Achievement of competency standards in communication and technical areas per the Achievement Log. The minimum period of Approved Service shall be three years for holders of "fully accredited" degrees, holders of "qualifying" degrees, members of the Association of Chartered Certified Accountants and of the Chartered Institute of Management Accountants and for student members of the two with all the relevant examinations of their own body while working in a training office authorized by ICAS. Four years for others.</p>
<p>IDW Germany</p>	<p><u>Institut der Wirtschaftsprüfer in Deutschland</u></p> <p>A candidate with a university degree must complete at least three years of practical experience (two of which in a Wirtschaftsprüfungsgesellschaft in the area of financial statement audit before being admitted to the final examination. The Wirtschaftsprüfungsgesellschaften have the expertise and resources to provide the practical training required. The WPK recognizes the Wirtschaftsprüfungsgesellschaften.</p>

Professional Body	Practical Training Core Programs
<p>OEC France</p>	<p><u>Ordre des Experts-Comptables</u></p> <p>Candidates must obtain the higher accounting studies diploma, DESCF, (4 years at least after the Baccalauréat) before registration as trainee. This includes the six-week practical training period necessary for the DESCF. Full – time three-year traineeship (part time in a few circumstances). Two years at least in a professional accountancy or audit firm located in France or in EU. Monitoring by a qualified professional (mentor). Trainees typically work on a variety of accounting, auditing and taxation assignments. - 8 specific one-day seminars/year. Half of these seminars focus on technical matters, the other half deal with ethical rules and professional standards. Delivery of 4 written reports on the practical activity.</p>
<p>CACR Czech Republic</p>	<p><u>Chamber of Auditors of the Czech Republic</u></p> <p>According to the Act on Auditors any new member must work as Assistant Auditor for three years. This practical experience is embodied in the Auditor Guideline of the Chamber that specifies the content of this "Managed Practice". There are no admission requirements before the start of practical training. Practical training takes place in public practice. Necessary expertise and resources are available with auditing firms and auditors that are looking for future employees, partners or collaborators. The Chamber manages the List of Auditors.</p>
<p>CHA Hungary</p>	<p><u>Chamber of Hungarian Auditors</u></p> <p>Three years full time according to monitoring system regulation; part time is also possible. Admission requirements before the start of practical training: University or college degree of business, accounting, finance. Practical training takes place in public practice. The professional body recognizes providers of practical training. One of the CHA membership requirements is professional practice under CHA control. The continuously controlled form of practice is called monitoring system regulation. This on-the-job-training can provide valuable practical exposure to formal education. The monitoring system regulation will be obligatory from September 2002. At present monitoring is the duty of the Admission Committee of CHA. The Admission Committee examines the practical training when it judges applications for membership admission.</p>

Professional Body	Practical Training Core Programs
<p>KIBR Poland</p>	<p><u>National Chamber of Statutory Auditors</u></p> <p>Candidates must have three years of practice in Poland, including at least a two-year practice under an auditor's supervision. They can start the first year of practical experience straight away; practice under supervision of an auditor can be started only after a candidate has finished the first year of practical experience and after he/ she has passed 7 out of 10 professional exams. The first year of practical training includes independent bookkeeping, computerized system of bookkeeping in accordance with the Accounting Law regulations, knowledge of internal regulations. The two-year practice includes reviewing audit documentation with regard to the documentation's completeness, correctness and consistency; technical work and selected audit work together with audit documentation and preparing lists of documents; participating in auditor's activities connected especially with audit planning, choice of methods and sampling, analysis of company's equity, company's financial and income position and checking whether the company acts in compliance with law regulations; participating in auditing of at least two annual financial statements and independent documenting of all activities assigned to the candidate by auditor, preparing proposals of audit report and of auditor's opinion; full audit of an annual financial statement under supervision of an auditor, preparing complete audit documentation, preparing proposals of auditor's opinion, audit report and letter to management of the company audited.</p>

8.6 RECOGNITION OF QUALIFICATIONS

Mutual recognition is ruled by the WTO General Agreement on Trade in Services (GATS), by IFAC and regional directives and by agreements between countries. The GATS as a general agreement does not relate to content, but to the procedures that should be followed. The GATS requires that all countries have procedures to verify qualifications of professionals from other countries. Though GATS is multinational in scope it does provide for bilateral implementation. Rules set out by GATS are meant to ensure the same privileges for foreign providers and domestic counterparts, to remove discriminatory obstacles and to provide transparency.

Responsibility of the professional body is addressed by IFAC. Member bodies of IFAC should not only satisfy themselves that the assessment(s) undergone by applicants indeed test the body of knowledge and the ability to apply it, but that the policies and procedures for its construction, security and marking are adequate to ensure the integrity of the assessment process. Agreement should also be reached on the need for a periodic review of the education and assessment process so as to ensure that conditions for recognition continue to apply.

Several professional bodies in developed countries have recognized the importance of professional body to professional body reciprocity or mutual recognition agreements. For example, ACCA has a number of mutual recognition agreements, which has required many years to complete. The main ICAS recognition areas have been in existence for almost 25 years. The United States has recognized the growing importance of international reciprocity for professional accountants by adopting the International Qualifications Examination for its state boards of accountancy. The International Qualifications Appraisal Board evaluates the programs of professional bodies operating jointly with National Association of State Boards of Accountancy and the American Institute of Certified Public Accountants.

Worldwide there is only a beginning of mutual recognition agreements between professional bodies and countries. Interest in cross border recognition is increasing and results are being achieved, but at the moment these are still limited and on an individual basis. Limited in the sense that (1) most agreements only give access to examinations, sometimes with exemptions, (2) there is no systematic coverage of relations between countries. A specific problem is that mutual recognition may not yet be possible because a system is further developed than its counterpart.

The only regional directive is the EU Directive on Mutual Recognition. In combination with the EU 8th Directive the effect is that auditor qualifications are recognized throughout the European Union and the European Free Trade Association (EFTA) with the exception of an examination in local law and regulation. All comparison countries now are members of the European Union and as a result have achieved recognition of their qualifications. Outside the EU there is a mutual recognition agreement between the USA, Canada, Mexico and Australia.











8.6.1 Table on EU Mutual Recognition

Professional Body	Mutual Recognition
<p>ACCA UK</p>	<p><u>Association of Chartered Certified Accountants</u></p> <p>ACCA is recognized under the European Union's Mutual Recognition Directive. The ACCA qualification is also fully recognized in the legislation of many other countries around the world e.g. in Hong Kong, Malaysia, Singapore, the Caribbean, and many countries in Africa. ACCA is also recognized for the purpose of registration as an auditor or liquidator under Australia's Corporation Act and enjoys reciprocal membership arrangements with the Institute of Chartered Accountants of New Zealand. Recognition of qualifications from other countries: EU Member States plus Iceland, Norway and Switzerland. Also Australia, Canada, Hong Kong, New Zealand, South Africa, Zimbabwe, and certain States in the US. Various conditions apply.</p>

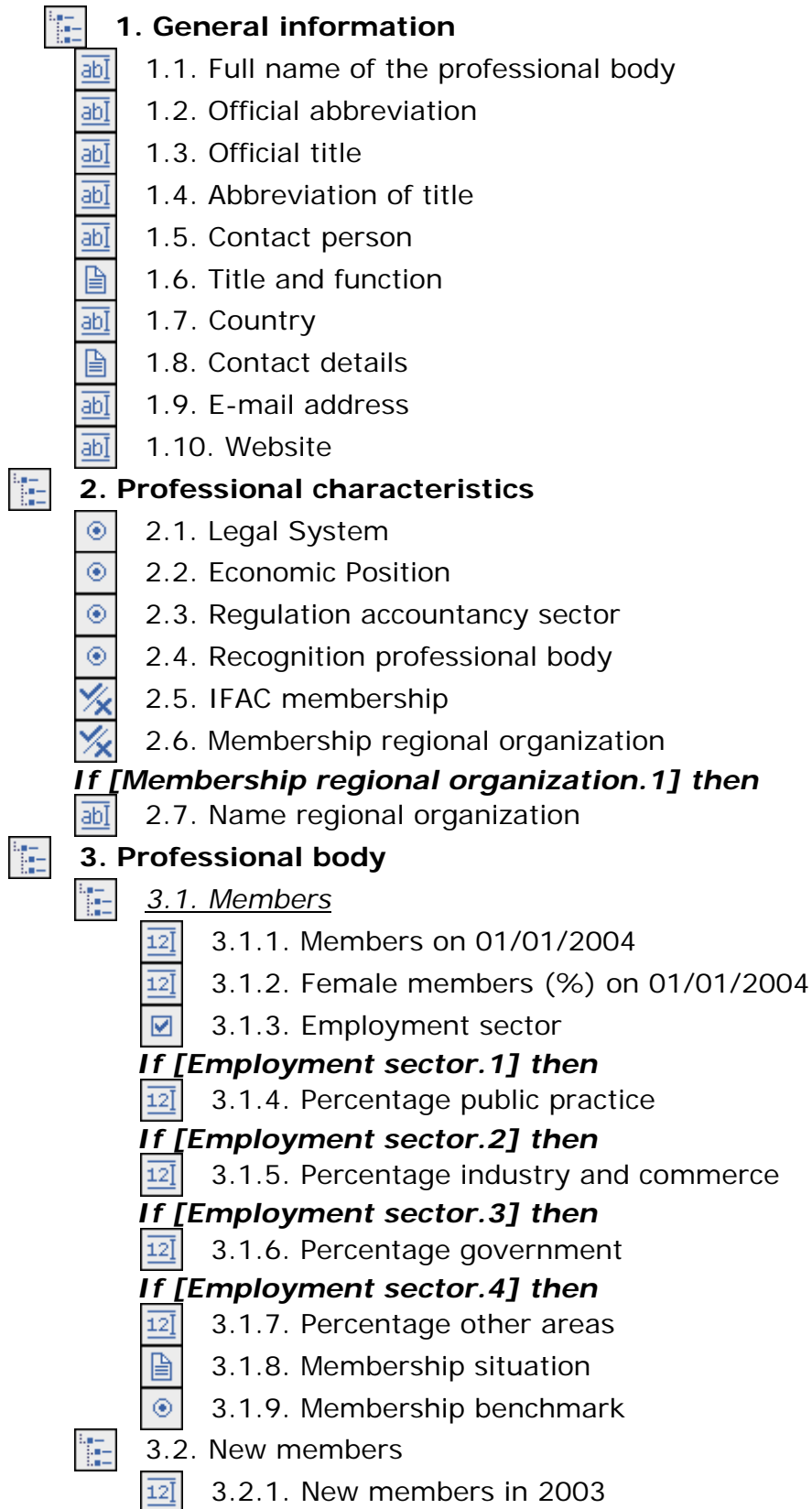
Professional Body	Mutual Recognition
<p>ICAS UK</p>	<p><u>Institute of Chartered Accountants of Scotland</u> Recognition through reciprocal agreements with England, Ireland, New Zealand, Australia, Canada, South Africa and through EU mutual recognition directive.</p>
<p>IDW Germany</p>	<p><u>Institut der Wirtschaftsprüfer in Deutschland</u> Recognition of the professional qualification from Germany under the 8. EU Directive in other EU member states by means of a mutual recognition examination. The recognition of the corresponding qualification from all other EU member states is also achieved by a mutual recognition examination.</p>
<p>OEC France</p>	<p><u>Ordre des Experts-Comptables</u> Recognition through EU mutual recognition directive and with the French speaking countries. In general a special examination is required.</p>
<p>CACR Czech Republic</p>	<p><u>Chamber of Auditors of the Czech Republic</u> The second stage of the Certification and Education System of the Union of Accountants (Bilanční účetní) is compatible with the "Bilance Buchhalter" in Germany, Austria and Switzerland. The qualification of "Accounting Expert" is recognized by 8 exams of the ACCA Professional Qualification in Great Britain. Since joining the EU, CACR is covered by the Mutual Recognition Directive.</p>
<p>CHA Hungary</p>	<p><u>Chamber of Hungarian Auditors</u> Since joining the EU, CHA is covered by the Mutual Recognition Directive.</p>
<p>KIBR Poland</p>	<p><u>National Chamber of Statutory Auditors</u> Qualifications gained in the UK (ICAEW, ICAS, ACCA), in Denmark (Beskikkelse Som Statsautoriseret Revisor), in Australia (Australian Institute of Certified Public Accountants), in the US (Massachusetts Society of Certified Public Accountants, Oregon Board of Accountancy) have been recognized in Poland. Candidates had to pass the Polish Economic Law exam (in the Polish language). Since joining the EU, KIBR is covered by the Mutual Recognition Directive.</p>






























ANNEX 1 QUESTIONNAIRE STRUCTURE

ANNEX 1.1 QUESTIONNAIRE PROPERTIES

Number of Blocks	46
Number of Questions	204
Question Types	
 Option Questions	63
 Yes/No Questions	32
 Check Questions	27
 Field Questions	9
 Text Questions	28
 Number Questions	45
 Currency Questions	0
 Slider Questions	0
 Date Questions	0
 Time Questions	0
Number of Conditions	32
Number of Blocks with Help	0
Number of Questions with Help	46
Number of Levels	4

ANNEX 1.2 QUESTIONNAIRE TREE




-  3.2.2. New female members (%) in 2003
-  3.2.3. Employment sector new members in 2003
- If [Employment sector new members in 2003.1] then**
-  3.2.4. Percentage in public practice
- If [Employment sector new members in 2003.2] then**
-  3.2.5. Percentage in industry and commerce
- If [Employment sector new members in 2003.3] then**
-  3.2.6. Percentage in government
- If [Employment sector new members in 2003.4] then**
-  3.2.7. Percentage in other areas
-  3.2.8. New membership situation
-  3.2.9. New membership benchmark
-  3.3. Continuing profession development
 -  3.3.1. Membership professional body
 -  3.3.2. CPD standards
 -  3.3.3. CPD promotion
 -  3.3.4. CPD facilities
 -  3.3.5. CPD requirements
 -  3.3.6. CPD enforcement
 -  3.3.7. CPD approaches
 -  3.3.8. CPD Providers
 -  3.3.9. CPD Expertise and resources
 -  3.3.10. CPD Recognition
 -  3.3.11. CPD Periodic review
 -  3.3.12. CPD benchmark
 -  3.3.13. CPD employment sector
- If [CPD employment sector.1] then**
-  3.3.14. CPD hours public sector
- If [CPD employment sector.1] then**
-  3.3.15. CPD regulation public sector
- If [CPD employment sector.2] then**
-  3.3.16. CPD hours industry and commerce
- If [CPD employment sector.2] then**
-  3.3.17. CPD regulation industry and commerce
- If [CPD employment sector.3] then**
-  3.3.18. CPD hours government
- If [CPD employment sector.3] then**
-  3.3.19. CPD regulation government
- If [CPD employment sector.4] then**
-  3.3.20. CPD hours other areas

If [CPD employment sector.4] then


 3.3.21. CPD regulation other sectors

4. Professional qualification

4.1. Qualification standards

 4.1.1. Goal accountancy education

If [Goal accountancy education.1] AND [Goal accountancy education.2] then

 4.1.2. Qualification accountant and auditor

 4.1.3. Admission requirements

 4.1.4. Responsibility

 4.1.5. International standards

 4.1.6. Qualification benchmark

 4.1.7. Recognition standards I

If [Recognition standards I.1] then

 4.1.8. Specify recognition standards I

 4.1.9. Recognition standards II

If [Recognition standards II.1] then


 4.1.10. Specify recognition standards II

 4.1.11. Recognition benchmark

4.2. Higher education

 4.2.1. University entrance level


 4.2.2. Academic requirements

 4.2.3. Educational background new members

If [Educational background new members.1] then

 4.2.4. % with general university degree


If [Educational background new members.2] then


 4.2.5. % with accounting, finance and business university degree

If [Educational background new members.3] then

 4.2.6. % with general higher education

If [Educational background new members.4] then

 4.2.7. % with accounting, finance and business higher education

 4.2.8. Higher education benchmark

5. Examination, education and training

5.1. Final examination

 5.1.1. Objective final examination

 5.1.2. Level final examination

 5.1.3. Admission final examination

 5.1.4. Core program final examination


- ☒ 5.1.5. Methods final examination
- ☐ 5.1.6. Pass mark
- ☐ 5.1.7. Pass rate
- ☐ 5.1.8. Frequency
- ☒ 5.1.9. Conditions and procedures
- ☒ 5.1.10. Providers final examination
- ☐ 5.1.11. External recognition providers exam
- ☒ 5.1.12. External review final examination
- ☒ 5.1.13. Expertise and resource final exam
- ☐ 5.1.14. Final examination benchmark




5.2. Professional education

- ☐ 5.2.1. Level professional education
- ☒ 5.2.2. Admission professional education
- ☐ 5.2.3. Core program professional education
- ☐ 5.2.4. Duration professional education
- ☒ 5.2.5. Full time or part time professional education
- ☐ 5.2.6. Combination education - training
- ☒ 5.2.7. Providers professional education
- ☒ 5.2.8. Expertise and resources professional education
- ☒ 5.2.9. Recognition professional education
- ☒ 5.2.10. Periodic review professional education
- ☐ 5.2.11. Professional education benchmark
- ☐ 5.2.12. Accounting, finance and related knowledge
 - ☒ 5.2.12.1. IFRS
 - ☐ 5.2.12.2. Financial accounting and reporting
 - ☐ 5.2.12.3. Management accounting and control
 - ☐ 5.2.12.4. Taxation
 - ☐ 5.2.12.5. Business and commercial law
 - ☒ 5.2.12.6. ISA
 - ☐ 5.2.12.7. Audit and assurance
 - ☐ 5.2.12.8. Finance and financial management
 - ☒ 5.2.12.9. IFAC Code of Ethics
 - ☐ 5.2.12.10. Professional values and ethics
 - ☐ 5.2.12.11. Program (1) benchmark
- ☐ 5.2.13. Organizational and business knowledge
 - ☐ 5.2.13.1. Economics
 - ☐ 5.2.13.2. Business environment


	5.2.13.3. Corporate governance
	5.2.13.4. Business ethics
	5.2.13.5. Financial markets
	5.2.13.6. Quantitative methods
	5.2.13.7. Organizational behavior
	5.2.13.8. Management and strategic decision making
	5.2.13.9. Marketing
	5.2.13.10. International business and globalization
	5.2.13.11. Program (2) benchmark
	5.2.14. Information Technology
	5.2.14.1. Information technology
	5.2.15. Skills, values, ethics and attitudes
	5.2.15.1. Intellectual skills
	5.2.15.2. Technical and functional skills
	5.2.15.3. Personal skills
	5.2.15.4. Interpersonal skills
	5.2.15.5. Organizational and business management skills
	5.2.15.6. Professional education in values, ethics and attitudes
	5.2.15.7. Practical training in values, ethics and attitudes
	5.2.15.8. Program (3) benchmark
	<u>5.3. Practical experience</u>
	5.3.1. Admission practical training
	<i>If [Admission practical training.1] then</i>
	5.3.2. Specify admission practical training
	5.3.3. Practical training requirements
	5.3.4. Full time or part time practical training
	5.3.5. Years of practical training
	5.3.6. Days practical training per year
	5.3.7. Regulations practical training
	<i>If [Regulations practical training.1] then</i>
	5.3.8. Specify regulations practical training
	5.3.9. Periodic review practical training
	5.3.10. Practical training (1) benchmark
	5.3.11. Providers practical training
	<i>If [Providers practical training.1] then</i>
	5.3.12. Percentage public practice
	<i>If [Providers practical training.2] then</i>


 5.3.13. Percentage industry and commerce

If [*Providers practical training.3*] then

 5.3.14. Percentage government

If [*Providers practical training.4*] then


 5.3.15. Percentage other areas

 5.3.16. Expertise and resources practical training

If [*Expertise and resources practical training.1*] then

 5.3.17. Specify expertise and resources

 5.3.18. Recognition practical training

 5.3.19. Practical training (2) benchmark

ANNEX 1.3 QUESTIONNAIRE AS DATA-ENTRY SHEET

Number	Title / Text / Help	Answer
	<p>Global Accountancy Education Questionnaire</p> <p>This questionnaire covers the subjects necessary to describe accountancy education and to compare the present system for the qualification, professional education and practical training of accountants and auditors with existing international standards, guidelines and directives and with a selection of other countries.</p> <p>It is suggested to keep answers to the questions as short as possible and to put additional information (explanations, available material, etc.) under comments. A separate questionnaire has to be answered for each professional body in combination with the professional title under consideration.</p>	
1.	<p>General information</p> <p>Details of the professional body and the respondent responsible for filling in this questionnaire.</p>	
1.1.	<p><i>Full name of the professional body</i></p> <p>What is the full name of the professional body?</p>	_____
1.2.	<p><i>Official abbreviation</i></p> <p>What is the official abbreviation of the name of the professional body?</p>	_____
1.3.	<p><i>Official title</i></p> <p>What is the official name of the professional title that is granted on entrance in the profession?</p>	_____
1.4.	<p><i>Abbreviation of title</i></p> <p>What is the abbreviation of the professional title that is granted on entrance in the profession?</p>	_____

Number	Title / Text / Help	Answer
1.5.	<i>Contact person</i> What is the name of the person responsible for filling in the questionnaire?	_____
1.6.	<i>Title and function</i> What is your professional title and function?	_____
1.7.	<i>Country</i> In which country is the professional body registered?	_____
1.8.	<i>Contact details</i> Please give the following details. (Address, telephone, fax)	_____
1.9.	<i>E-mail address</i> What is the e-mail address that we can use for correspondence about this questionnaire?	_____
1.10.	<i>Website</i> What is the web address (URL) of the professional body?	_____
2.	Professional characteristics The professional characteristics in this paragraph are important for the position of professional bodies in regard to the qualification, education and training and the continuing professional development of their members.	
2.1.	<i>Legal System</i> Describe the main characteristics of the legal system.	? common law ? civil law
2.2.	<i>Economic Position</i> Describe the general economic position.	? industrialized ? in transition / developing
2.3.	<i>Regulation accountancy sector</i> How is the accountancy sector regulated in your country?	? by law ? by professional self-regulation ? both
2.4.	<i>Recognition professional body</i> How is the professional body recognized in your country?	? regulatory body ? disciplinary body ? both

Number	Title / Text / Help	Answer
2.5.	<p><i>IFAC membership</i></p> <p>Is the professional body a member of IFAC?</p> <p>Please comment if the professional body is an associate member of IFAC.</p>	<p>? Yes</p> <p>? No</p>
2.6.	<p><i>Membership regional organization</i></p> <p>Is the professional body a member of a regional organization of accountants?</p>	<p>? Yes</p> <p>? No</p>
If [Membership regional organization.1] Then:		
2.7.	<p><i>Name regional organization</i></p> <p>What is the name of this international organization?</p>	_____
3.	Professional body	
3.1.	<p><u>Members</u></p> <p>The number of members, both male and female and their allocation to employment sectors is considered in relation to labor market needs.</p>	
3.1.1.	<p><i>Members on 01/01/2004</i></p> <p>What was the total number of members on 01/01/2004?</p>	_____
3.1.2.	<p><i>Female members (%) on 01/01/2004</i></p> <p>What is the percentage of female members on 01/01/2004 (compared to total)?</p>	_____
3.1.3.	<p><i>Employment sector</i></p> <p>Please indicate the employment sector of the members. (More than 1 answer possible)</p>	<p>? public practice</p> <p>? industry and commerce</p> <p>? government</p> <p>? other areas</p>
If [Employment sector.1] Then:		
3.1.4.	<p><i>Percentage public practice</i></p> <p>What is the percentage of members in public practice?</p>	_____
If [Employment sector.2] Then:		
3.1.5.	<p><i>Percentage industry and commerce</i></p> <p>What is the percentage of members in industry and commerce?</p>	_____

Number	Title / Text / Help	Answer
If [Employment sector.3] Then:		
3.1.6.	<i>Percentage government</i> What is the percentage of members in government?	_____
If [Employment sector.4] Then:		
3.1.7.	<i>Percentage other areas</i> What is the percentage of members in other areas?	_____
3.1.8.	<i>Membership situation</i> Please compare the number of members and female members, and their allocation to employment sectors, with labor market and professional needs.	_____
3.1.9.	<i>Membership benchmark</i> Please indicate the urgency of development of the number of members. (In the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system
3.2.	<i>New members</i> The future position of professional bodies depends on the number of new qualified members that enter the profession.	
3.2.1.	<i>New members in 2003</i> What was the total number of new members in 2003?	_____
3.2.2.	<i>New female members (%) in 2003</i> What was the percentage of new female members in 2003 in relation to the total number of new members?	_____
3.2.3.	<i>Employment sector new members in 2003</i> Please indicate the employment sector of the new members in 2003.	? public practice ? industry and commerce ? government ? other areas
If [Employment sector new members in 2003.1] Then:		
3.2.4.	<i>Percentage in public practice</i> What are the percentage new members in public practice in 2003?	_____

Number	Title / Text / Help	Answer
If [Employment sector new members in 2003.2] Then:		
3.2.5.	<i>Percentage in industry and commerce</i> What is the percentage new members industry and commerce in 2003?	_____
If [Employment sector new members in 2003.3] Then:		
3.2.6.	<i>Percentage in government</i> What is the percentage of new members in government in 2003?	_____
If [Employment sector new members in 2003.4] Then:		
3.2.7.	<i>Percentage in other areas</i> What is the percentage of new members in other areas in 2003?	_____
3.2.8.	<i>New membership situation</i> Please compare the number of new members and new female members, and their allocation to employment sectors, with labor market and professional needs.	_____
3.2.9.	<i>New membership benchmark</i> Please indicate the urgency of development of the number of new members. (in the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system
3.3.	<u>Continuing profession development</u> CPD requirements for professional bodies and their members are given in IFAC IES 7, Continuing Professional Development: a program of lifelong learning and continuing development of professional competence.	
3.3.1.	<i>Membership professional body</i> Is membership of the professional body mandatory? (To use the title)	? Yes ? No
3.3.2.	<i>CPD standards</i> Does the professional body set standards for CPD of its members? (Comments)	? Yes ? No
3.3.3.	<i>CPD promotion</i> Is the importance of CPD promoted for all professional accountants? (Comments)	? Yes ? No

Number	Title / Text / Help	Answer
3.3.4.	<i>CPD facilities</i> Is access to CPD opportunities and resources promoted? (Comments)	? Yes ? No
3.3.5.	<i>CPD requirements</i> Are all professional accountants required to maintain competence? (Comments)	? Yes ? No
3.3.6.	<i>CPD enforcement</i> Is there a systematic process to monitor and enforce CPD? (Comments)	? Yes ? No
3.3.7.	<i>CPD approaches</i> Please indicate acceptable CPD approaches.	? Input-based ? Output-based ? Combination
3.3.8.	<i>CPD Providers</i> Who is (are) the provider(s) of CPD? Please comment.	? professional body ? universities ? commercial companies
3.3.9.	<i>CPD Expertise and resources</i> Are the necessary expertise and resources available for the CPD? Please specify.	? Yes ? No
3.3.10.	<i>CPD Recognition</i> How are providers of CPD recognized? Please comment.	? by government ? by professional body ? other
3.3.11.	<i>CPD Periodic review</i> Is there a periodic review of CPD? Please specify if applicable.	? Yes ? No
3.3.12.	<i>CPD benchmark</i> Please indicate the urgency of CPD development. (In the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system
3.3.13.	<i>CPD employment sector</i> Please indicate whether continuing professional education is mandatory for members distinguished by employment sector.	? public practice ? industry and commerce ? government ? other areas
If [CPD employment sector.1] Then:		
3.3.14.	<i>CPD hours public sector</i> What is the number of hours per year of mandatory CPD in public practice?	_____

Number	Title / Text / Help	Answer
If [CPD employment sector.1] Then:		
3.3.15.	<i>CPD regulation public sector</i> Is CPD in public practice regulated by the professional body?	? Yes ? No
If [CPD employment sector.2] Then:		
3.3.16.	<i>CPD hours industry and commerce</i> What is the number of hours per year of mandatory CPD in industry and commerce?	_____
If [CPD employment sector.2] Then:		
3.3.17.	<i>CPD regulation industry and commerce</i> Does the professional body regulate CPD in industry and commerce?	? Yes ? No
If [CPD employment sector.3] Then:		
3.3.18.	<i>CPD hours government</i> What is the number of hours per year of mandatory CPD in government?	_____
If [CPD employment sector.3] Then:		
3.3.19.	<i>CPD regulation government</i> Is CPD in government regulated by the professional body?	? Yes ? No
If [CPD employment sector.4] Then:		
3.3.20.	<i>CPD hours other areas</i> What is the number of hours per year of mandatory CPD in other areas?	_____
If [CPD employment sector.4] Then:		
3.3.21.	<i>CPD regulation other sectors</i> Does the professional body regulate CPD in other areas?	? Yes ? No
4.	Professional qualification For benchmarking purposes reference is made to the IFAC International Education Standards IES 1 through 6 and the EU 8th Directive. The international requirements are discussed in the separate paper on the GAEB Benchmarking Methodology. The full text of the IES can be downloaded from the IFAC website at www.ifac.org/store	

Number	Title / Text / Help	Answer
4.1.	<p><u>Qualification standards</u></p> <p>Qualification requirements for accountants and auditors are national responsibilities subject to international requirements.</p> <p>The goal of accounting education and practical experience as defined by IFAC is to produce competent professional accountants capable of making a positive contribution over their lifetimes to the profession and society in which they work. The EU 8th Directive requires a final examination of professional competence for auditors organized or recognized by the State.</p> <p>According to the WTO General Agreement on Trade in Services every country must have procedures to recognize qualifications from other countries.</p>	
4.1.1.	<p><u>Goal accountancy education</u></p> <p>What is the goal of accountancy education and training? (More than 1 answer possible)</p>	<p>? become a professional accountant</p> <p>? become a professional auditor</p>
If [Goal accountancy education.1] AND [Goal accountancy education.2] Then:		
4.1.2.	<p><u>Qualification accountant and auditor</u></p> <p>Specify differences in qualification requirements between accountants and auditors.</p>	_____
4.1.3.	<p><u>Admission requirements</u></p> <p>Do the admission requirements to the profession include: (More than 1 answer possible)</p>	<p>? a formal final examination of professional competence</p> <p>? a program of professional education</p> <p>? a program of practical training</p>
4.1.4.	<p><u>Responsibility</u></p> <p>Who is responsible for the standard setting for qualification? (If other please comment; more than 1 answer possible)</p>	<p>? government</p> <p>? professional body</p> <p>? other</p>

Number	Title / Text / Help	Answer
4.1.5.	<i>International standards</i> Are international standards, guidelines and directives on accountancy education followed (mandatory / voluntary) for qualification? (if other please specify)	? IFAC International Education Standards ? EU Directives ? Other
4.1.6.	<i>Qualification benchmark</i> Please indicate the urgency of development of qualification standards (in the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system
4.1.7.	<i>Recognition standards I</i> Has recognition of the professional qualification from the home country in other countries been achieved?	? Yes ? No
If [Recognition standards I.1] Then:		
4.1.8.	<i>Specify recognition standards I</i> Name the countries and specify the conditions (examinations, practical experience).	
4.1.9.	<i>Recognition standards II</i> Has recognition of professional qualification from other countries in the home country been achieved?	? Yes ? No
If [Recognition standards II.1] Then:		
4.1.10.	<i>Specify recognition standards II</i> Name the countries and specify the conditions (examinations, practical experience).	
4.1.11.	<i>Recognition benchmark</i> Please indicate the urgency of development of international recognition of the qualification (in the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system

Number	Title / Text / Help	Answer
4.2.	<i>Higher education</i> Both IFAC IES 1 and the EU 8th Directive stipulate that the entry requirement for a program of professional accounting education should be at least equivalent to that for admission into a recognized university degree program. Worldwide the majority of new accountants and auditors have accountancy, finance or business university degree or a general university degree.	
4.2.1.	<i>University entrance level</i> Are candidates required to have an university entrance level?	? Yes ? No
4.2.2.	<i>Academic requirements</i> Are there academic requirements for candidates?	? Yes (please describe in comments field) ? No
4.2.3.	<i>Educational background new members</i> Please indicate which of the following categories apply to the educational background of new members:	? general university degree (not aimed specifically at accountancy) ? accounting, finance or business university degree ? general higher education (not aimed specifically at accountancy) ? accounting, finance or business higher education
If [Educational background new members.1] Then:		
4.2.4.	% With general university degree What is the percentage of new members with a general university degree in 2003?	
If [Educational background new members.2] Then:		
4.2.5.	% With accounting, finance and business university degree What is the percentage of new members with an accounting, finance and business university degree in 2003?	
If [Educational background new members.3] Then:		
4.2.6.	% With general higher education What is the percentage of new members with general (non university) higher education in 2003?	

Number	Title / Text / Help	Answer
If [Educational background new members.4] Then:		
4.2.7.	<p>% With accounting, finance and business higher education</p> <p>What is the percentage of new members with accounting, finance and business (non university) higher education in 2003?</p>	
4.2.8.	<p>Higher education benchmark</p> <p>Please indicate the urgency of development of higher indication input (in the categories 1,2, 3, 4)</p>	<p>? 1- urgent development</p> <p>? 2- critical deficiencies</p> <p>? 3- material deficiencies</p> <p>? 4- sustainable system</p>
5.	Examination, education and training	
5.1.	<p>Final examination</p> <p>Requirements on the final examination of professional competence are covered in IFAC IES 6 and in the EU 8th Directive. In considering the final examination and its objectives and methods it is important to note that most countries follow a system of partial examinations leading to exemptions for the final assessment. For the purposes of the benchmarking project these preceding tests are considered to be part of the final examination as they are an important part of the assessment of professional competence.</p>	
5.1.1.	<p><i>Objective final examination</i></p> <p>What does the final examination test? Please comment.</p>	<p>? theoretical knowledge</p> <p>? ability to apply knowledge in practice</p> <p>? intellectual skills</p> <p>? interpersonal skills</p> <p>? communication skills</p> <p>? ICT applications</p> <p>? professional values</p>
5.1.2.	<p><i>Level final examination</i></p> <p>What is the level of final examination? Please comment.</p>	<p>? postgraduate level</p> <p>? graduate level</p> <p>? undergraduate level</p>

Number	Title / Text / Help	Answer
5.1.3.	<i>Admission final examination</i> Are there admission requirements for the final examination in regard to professional education, practical experience and general education? Please comment.	? professional education ? practical training ? general education
5.1.4.	<i>Core program final examination</i> Describe the core program of the final examination (main subjects and objectives).	
5.1.5.	<i>Methods final examination</i> Which examination methods are used? Please comment.	? open ended questions ? multiple choice questions ? case study ? thesis ? oral ? other methods
5.1.6.	<i>Pass mark</i> What is the required pass mark of the examination? (Points out of 100)	
5.1.7.	<i>Pass rate</i> What is the actual pass rate in 2003? (Number succeeded / total)	
5.1.8.	<i>Frequency</i> How many times a year is the examination offered?	
5.1.9.	<i>Conditions and procedures</i> Which characteristics are applicable for the final examination?	? uniform for all students ? given simultaneously (irrespective of locations and time differences) ? developed and administered under adequate security conditions ? objectively graded by qualified staff
5.1.10.	<i>Providers final examination</i> Who is (are) the provider(s) of the final examination? Please comment.	? government ? professional body ? university ? other
5.1.11.	<i>External recognition providers exam</i> How are the providers of the final examination recognized?	

Number	Title / Text / Help	Answer
5.1.12.	<i>External review final examination</i> Is there external review of the final examination? Please comment if applicable.	? Yes ? No
5.1.13.	<i>Expertise and resource final exam</i> Are the necessary expertise and resource available? Please comment.	? Yes ? No
5.1.14.	<i>Final examination benchmark</i> Please indicate the urgency of development of final examination (in the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system
5.2.	<i>Professional education</i> Program requirements are covered in IFAC IES 2, 3 and 4 and in the EU 8th Directive.	
5.2.1.	<i>Level professional education</i> What is the final level of professional education?	? postgraduate level ? graduate level ? undergraduate level
5.2.2.	<i>Admission professional education</i> Are there admission requirements for professional education? Please specify if applicable.	? Yes ? No
5.2.3.	<i>Core program professional education</i> Specify the core program of professional education (main subjects and objectives).	
5.2.4.	<i>Duration professional education</i> What is the duration of professional education in years?	
5.2.5.	<i>Full time or part time professional education</i> Is the program of professional education full time and/or part time? If part-time please comment on the number of days available for classes and self study per week, month or year.	? full time ? part time
5.2.6.	<i>Combination education - training</i> Is a combination with practical experience possible and/or required? Please comment if applicable.	? possible ? required ? excluded

Number	Title / Text / Help	Answer
5.2.7.	<i>Providers professional education</i> Who is (are) the provider(s) of professional education? Please comment.	? professional body ? universities ? commercial companies
5.2.8.	<i>Expertise and resources professional education</i> Are the necessary expertise and resources available for the professional education? Please specify.	? Yes ? No
5.2.9.	<i>Recognition professional education</i> How are providers recognized? Please comment.	? by government ? by professional body ? other
5.2.10.	<i>Periodic review professional education</i> Is there a periodic review of professional education? Please specify if applicable.	? Yes ? No
5.2.11.	<i>Professional education benchmark</i> Please indicate the urgency of development of professional education (in the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system
5.2.12.	<i>Accounting, finance and related knowledge</i> According to IFAC IES 2 accounting, finance and related knowledge provide the core technical foundation essential to a successful career as a professional accountant.	
5.2.12.1.	<i>IFRS</i> Are International Financial Reporting Standards covered in the program of professional education? Please comment.	? Yes ? No
5.2.12.2.	<i>Financial accounting and reporting</i> Please indicate the urgency of development in regard to Financial accounting and reporting (in the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system

Number	Title / Text / Help	Answer
5.2.12.3.	<i>Management accounting and control</i> Please indicate the urgency of development in regard to Management accounting and control (in the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system
5.2.12.4.	<i>Taxation</i> Please indicate the urgency of development in regard to Taxation (in the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system
5.2.12.5.	<i>Business and commercial law</i> Please indicate the urgency of development in regard to Business and commercial law (in the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system
5.2.12.6.	<i>ISA</i> Are International Standards on Auditing covered in the program of professional education? Please comment.	? Yes ? No
5.2.12.7.	<i>Audit and assurance</i> Please indicate the urgency of development in regard to Audit and assurance (in the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system
5.2.12.8.	<i>Finance and financial management</i> Please indicate the urgency of development in regard to Finance and financial management (in the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system
5.2.12.9.	<i>IFAC Code of Ethics</i> Is the IFAC Code of Ethics covered in the program of professional education? Please comment.	? Yes ? No
5.2.12.10.	<i>Professional values and ethics</i> Please indicate the urgency of development in regard to Professional values and ethics (in the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system

Number	Title / Text / Help	Answer
5.2.12.11.	<i>Program (1) benchmark</i> Please indicate the urgency of development of accounting, finance and related knowledge (in the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system
5.2.13.	<i>Organizational and business knowledge</i> According to IFAC IES 2 organizational and business knowledge provides the context in which professional accountants work.	
5.2.13.1.	<i>Economics</i> Please indicate the urgency of development in regard to Economics (in the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system
5.2.13.2.	<i>Business environment</i> Please indicate the urgency of development in regard to Business environment (in the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system
5.2.13.3.	<i>Corporate governance</i> Please indicate the urgency of development in regard to Corporate governance (in the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system
5.2.13.4.	<i>Business ethics</i> Please indicate the urgency of development in regard to Business ethics (in the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system
5.2.13.5.	<i>Financial markets</i> Please indicate the urgency of development in regard to Financial markets (in the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system
5.2.13.6.	<i>Quantitative methods</i> Please indicate the urgency of development in regard to Quantitative methods (in the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system

Number	Title / Text / Help	Answer
5.2.13.7.	<i>Organizational behavior</i> Please indicate the urgency of development in regard to Organizational behavior (in the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system
5.2.13.8.	<i>Management and strategic decision making</i> Please indicate the urgency of development in regard to Management and strategic decision making (in the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system
5.2.13.9.	<i>Marketing</i> Please indicate the urgency of development in regard to Marketing (in the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system
5.2.13.10.	<i>International business and globalization</i> Please indicate the urgency of development in regard to International business and globalization (in the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system
5.2.13.11.	<i>Program (2) benchmark</i> Please indicate the urgency of development of organizational and business knowledge (in the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system
5.2.14.	<i>Information Technology</i> Specific guidance on the information technology knowledge and competences for professional accountants is set out in IFAC IEG 11, Information Technology for Professional Accountants	
5.2.14.1.	<i>Information technology</i> Please indicate the urgency of development in regard to Information technology (in the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system

Number	Title / Text / Help	Answer
5.2.15.	<p><i>Skills, values, ethics and attitudes</i></p> <p>IFAC IES 3 describes the skills that professional accountants must possess. Intellectual skills enable a professional accountant to solve problems, make decisions and exercise good judgment in complex organizational situations. Technical and functional skills include numeracy and IT proficiency, decision modeling and risk analysis, measurement, reporting, and compliance with legislative and regulatory requirements. Personal skills relate to attitudes and behavior. Interpersonal and communication skills enable a professional accountant to work with others in an organization. Organizational and business management skills are important for the day-to-day management of organizations.</p> <p>According to IFAC IES 4 the program of professional accounting education should provide potential professional accountants with a framework of professional values, ethics and attitudes for exercising professional judgment and for acting in an ethical manner that is in the best interest of society and the profession.</p>	
5.2.15.1.	<p><i>Intellectual skills</i></p> <p>Please indicate the urgency of development in regard to Intellectual skills (in the categories 1,2, 3, 4)</p>	<p>? 1- urgent development</p> <p>? 2- critical deficiencies</p> <p>? 3- material deficiencies</p> <p>? 4- sustainable system</p>
5.2.15.2.	<p><i>Technical and functional skills</i></p> <p>Please indicate the urgency of development in regard to Technical and functional skills (in the categories 1,2, 3, 4)</p>	<p>? 1- urgent development</p> <p>? 2- critical deficiencies</p> <p>? 3- material deficiencies</p> <p>? 4- sustainable system</p>
5.2.15.3.	<p><i>Personal skills</i></p> <p>Please indicate the urgency of development in regard to Personal skills (in the categories 1,2, 3, 4)</p>	<p>? 1- urgent development</p> <p>? 2- critical deficiencies</p> <p>? 3- material deficiencies</p> <p>? 4- sustainable system</p>

Number	Title / Text / Help	Answer
5.2.15.4.	<i>Interpersonal skills</i> Please indicate the urgency of development in regard to Interpersonal skills (in the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system
5.2.15.5.	<i>Organizational and business management skills</i> Please indicate the urgency of development in regard to Organizational and business management skills (in the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system
5.2.15.6.	<i>Professional education in values, ethics and attitudes</i> Please indicate the urgency of development in regard to Professional education in values, ethics and attitudes (in the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system
5.2.15.7.	<i>Practical training in values, ethics and attitudes</i> Please indicate the urgency of development in regard to Practical training in values, ethics and attitudes (in the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system
5.2.15.8.	<i>Program (3) benchmark</i> Please indicate the urgency of development of skills, values, ethics and attitudes (in the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system

Number	Title / Text / Help	Answer
5.3.	<p>Practical experience</p> <p>Requirements for practical training are formulated in IFAC IES 5 and in the EU 8th Directive.</p> <p>The EU requires that a trainee must complete a minimum of three years' practical training in the auditing of annual accounts, consolidated accounts or similar financial statements. At least two-thirds of such practical training must be completed under a person approved under the law of the Member State.</p> <p>IFAC IES 5 covers practical experience requirements and the issue of monitoring and control. The period of practical experience should be a part of the pre-qualification program and should be a minimum of three years. A period of relevant graduate professional education with a strong element of practical accounting application may contribute no more than twelve months to the practical experience requirement. A professional environment is necessary for practical experience. The mentor should periodically review a record of the practical experience.</p>	
5.3.1.	<p><i>Admission practical training</i></p> <p>Are there admission requirements before practical training can be started?</p>	<p>? Yes</p> <p>? No</p>
If [Admission practical training.1] Then:		
5.3.2.	<p><i>Specify admission practical training</i></p> <p>Specify the admission requirements for practical experience.</p>	_____
5.3.3.	<p><i>Practical training requirements</i></p> <p>Please describe the requirements of practical training if applicable (main areas and regulations).</p>	_____
5.3.4.	<p><i>Full time or part time practical training</i></p> <p>Is practical training full time or part time? Please comment.</p>	<p>? full time</p> <p>? part time</p>

Number	Title / Text / Help	Answer
5.3.5.	<i>Years of practical training</i> What is the number of years of practical training? Please comment.	_____
5.3.6.	<i>Days practical training per year</i> What is the number of days per year for practical training?	_____
5.3.7.	<i>Regulations practical training</i> Are there regulations for practical training (training contract, supervision)?	? Yes ? No
If [Regulations practical training.1] Then:		
5.3.8.	<i>Specify regulations practical training</i> Specify regulations for practical training.	_____
5.3.9.	<i>Periodic review practical training</i> Is there a periodic review of practical training? Please comment if applicable.	? Yes ? No
5.3.10.	<i>Practical training (1) benchmark</i> Please indicate the urgency of development of practical training requirements (in the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system
5.3.11.	<i>Providers practical training</i> Who are the providers of practical training?	? public practice ? industry and commerce ? government ? other
If [Providers practical training.1] Then:		
5.3.12.	<i>Percentage public practice</i> What is the percentage of providers of practical training in public practice?	_____
If [Providers practical training.2] Then:		
5.3.13.	<i>Percentage industry and commerce</i> What is the percentage of providers of practical training in industry and commerce?	_____
If [Providers practical training.3] Then:		
5.3.14.	<i>Percentage government</i> What is the percentage of providers of practical training in government?	_____

Number	Title / Text / Help	Answer
If [Providers practical training.4] Then:		
5.3.15.	<i>Percentage other areas</i> What is the percentage of providers in practical training in other areas?	_____
5.3.16.	<i>Expertise and resources practical training</i> Are the necessary expertise and resources available for the practical experience?	? Yes ? No
If [Expertise and resources practical training.1] Then:		
5.3.17.	<i>Specify expertise and resources</i> Specify the available expertise and resources.	_____
5.3.18.	<i>Recognition practical training</i> How are the providers of practical training recognized? Please comment.	? by government ? by professional body ? other
5.3.19.	<i>Practical training (2) benchmark</i> Please indicate the urgency of development of practical training providers (in the categories 1,2, 3, 4)	? 1- urgent development ? 2- critical deficiencies ? 3- material deficiencies ? 4- sustainable system

ANNEX 2 SELECTED QUESTIONNAIRE INFORMATION

ANNEX 2.1 CECCAR, CAFR, ACAP, AAFA, AAARS

(The professional bodies –SRRS, SCAAK, IRRCG, IEKA and ICPA follow after this presentation of CECCAR, CAFR, ACAP, AAFA and AAARS)

		CECCAR	CAFR	ACAP	AAFA	AAARS
	Global Accountancy Education Questionnaire					
1.	General information					
1.1	Full name of the professional body	Body of Expert and Licensed Accountants of Romania	Chamber of Financial Auditors from Romania	Association of Professional Accountants and Auditor	Association of Accountants, Financial Workers and	Association of Accountants and Auditors
1.2	Official abbreviation	CECCAR	CAFR	ACAP RM	AAFA	AAARS
1.3	Official title	Expert Accountant or Licensed Accountant	Financial Auditor	Certified International Professional Accountant	Certified Auditor	Authorized Auditor; Certified Accountant
1.4	Abbreviation of title	E.C. or C.A.	AF	CIPA	CA	AA; CA (note there are two separate titles)
1.5	Contact person	Chivulescu Marius	Dr. Laurentiu Dobroteanu	Marina Shelaru	Miov Nikolaki	Liam Coughlan
1.6	Title and function	Expert accountant	Secretary General	Executive Director	Certified Auditor Member of Executive Board	Chief of Party USAID Private Sector Accounting Reform Project Bosnia & Herzegovina
1.7	Country	Romania	Romania	Moldova	Republic of Macedonia	Bosnia & Hertzegovina (BiH)

		CECCAR	CAFR	ACAP	AAFA	AAARS
1.8	Contact details	Bucuresti, Bd. Mircea Voda 35, Bl. M27, sc.1, sector 3 Tel: (4021)-327-63-80; 327-63-81; 327-63-82 Fax: (4021)-326 71-73	12 Libertatii Blvd, sector 5 Bucharest, Romania Tel 00-(4021) 312 -52-28 Fax 00 (4021) 335 2604	Moldova, Chisinau, str. Varlaam 65, off. 434, Tel: (373)-221 22-35-92, Fax: (373) 222 19-25	Crvena opstina bb Skopje 9100 FRY Macedonia Tel: +389 2311 4791	RS AAA Mirka Kovacevica 13a Banja Luka Republica of Srpska 51000, BiH Tel: +387-51-431 260 Fax: +387-51-431 270
1.9	E-mail address	ceccar@ceccaro.ro	cafr@rdslink.ro	acap@moldnet.md	N.Miov@macedonia.cc	Sr-rrs@inecco.net
1.10	Website	www.ceccaro.ro	www.cafr.ro	www.acap.ngo.moldnet.md	N/A	Under construction
2.	Professional characteristics					
2.1	Legal System	Civil law	Civil law	Civil law	Civil law	Civil law
2.2	Economic Position	In transition / developing	In transition / developing	In transition / developing	In transition / developing	In transition / developing
2.3	Regulation accountancy sector	By law and by professional self-regulation	By law and by professional self-regulation	By law	By law	By law and by professional self-regulation
2.4	Recognition professional body	Regulatory and disciplinary body	Regulatory and disciplinary body	Regulatory and disciplinary body	Disciplinary body	Regulatory and disciplinary body
2.5	IFAC membership	Yes	No	Yes	No	No
2.6	Membership regional organization	Yes	No	Yes	Yes	Yes
2.7	Name regional organization	Fédération des Experts Comtables Européens (FEE)	None	SEEPAD and ECCAA	SEEPAD	SEEPAD
3.	Professional body					
3.1.	Members					
3.1.1	Members on 01/01/2004	19,807	1,522	500	132	4,500
3.1.2	Female members (%) on 01/01/2004	67	53.5	75	57	80

		CECCAR	CAFR	ACAP	AAFA	AAARS
3.1.3	Employment sector	Public practice Industry and commerce Government Other areas	Public practice Industry and commerce Government Other areas	Public practice Industry and commerce Government Other areas	Public practice Industry and commerce Government Other areas	Public practice Industry and commerce Government Other areas
3.1.4	Percentage public practice	55	69.95	5	18	1
3.1.5	Percentage industry and commerce	38	14.44	70	21	51
3.1.6	Percentage government	0.02	13.23	5	6	20
3.1.7	Percentage other areas	6.98	2.3	20	63	28
3.2.	New members					
3.2.1	New members in 2003	1,265	43	376	36	700
3.2.2	New female members (%) in 2003	79	37	68	60	75
3.2.3	Employment sector new members in 2003	Public practice Industry and commerce	Public practice	Public practice Industry and commerce Government Other areas	Public practice Industry and commerce Government Other areas	Public practice Industry and commerce Government Other areas
3.2.4	Percentage in public practice	62	100	5	15	2
3.2.5	Percentage in industry and commerce	38	0	67	24	50
3.2.6	Percentage in government	0	0	Not avail (N/a)	Not avail (N/a)	Not avail (N/a)
3.2.7	Percentage in other areas	0	0	(N/a)	(N/a)	(N/a)
3.3.	Continuing profession development					
3.3.1	Membership professional body	Yes	Yes	Yes	No	Yes
3.3.2	CPD standards	Yes	Yes	Yes	No	Yes
3.3.3	CPD promotion	Yes	Yes	Yes	Yes	Yes
3.3.4	CPD facilities	Yes	Yes	Yes	Yes	Yes
3.3.5	CPD requirements	Yes	Yes	Yes	No	Yes
3.3.6	CPD enforcement	Yes	Yes	No	No	No
3.3.7	CPD approaches	Combination	Combination	Combination	Combination	Input-based
3.3.8	CPD Providers	Professional body; Universities	Professional body; Universities; Commercial companies	Professional body; Universities; Commercial companies	Professional body; Universities; Commercial companies	Professional body; Universities; Commercial companies

		CECCAR	CAFR	ACAP	AAFA	AAARS
3.3.9	CPD Expertise and resources	No	Yes	No	No	No
3.3.10	CPD Recognition	By government By professional body	By professional body	By government By professional body Other	Other	By professional body
3.3.11	CPD Periodic review	Yes	Yes	Yes	No	Yes
3.3.13	CPD employment sector	Public practice; Industry and commerce; Government; Other areas	Public practice Industry and commerce; Government; Other areas	Public practice Industry and commerce; Government; Other areas	<i>N/a</i>	Public practice; Industry and commerce; Government; Other areas
3.3.14	CPD hours public sector	<i>N/a</i>	40	30	<i>N/a</i>	40
3.3.15	CPD regulation public sector	<i>N/a</i>	Yes	No	<i>N/a</i>	Yes
3.3.16	CPD hours industry and commerce	<i>N/a</i>	40	30	<i>N/a</i>	40
3.3.17	CPD regulation industry and commerce	<i>M/a</i>	Yes	No	<i>N/a</i>	Yes
3.3.18	CPD hours government	<i>M/a</i>	40	30	<i>N/a</i>	40
3.3.19	CPD regulation government	<i>M/a</i>	Yes	No	<i>N/a</i>	Yes
3.3.20	CPD hours other areas	40	40	20	<i>N/a</i>	40
3.3.21	CPD regulation other sectors	Yes	Yes	No	<i>N/a</i>	Yes
4.	Professional qualification					
4.1.	Qualification standards					
4.1.1	Goal accountancy education	Professional accountant	Professional auditor	Professional accountant; Professional auditor	Professional auditor	Professional accountant; Professional auditor

		CECCAR	CAFR	ACAP	AAFA	AAARS
4.1.3	Admission requirements	Final examination; Professional education program; Practical training program	Final examination; Professional education program; Practical training program	Final examination; Professional education program; Practical training program	Final examination; Practical training program	Final examination; Professional education program; Practical training program
4.1.4	Responsibility	Government Professional body	Professional body	Government	Government	Professional body Other
4.1.5	International standards	IFAC International Education Standards ; EU Directives Other	IFAC International Education Standards ; EU Directives	IFAC International Education Standards ; EU Directives	Other	IFAC International Education Standards ; EU Directives Other
4.1.7	Recognition standards I	Yes	No	Yes	No	Yes
4.1.9	Recognition standards II	Yes	Yes	Yes	No	Yes
4.2.	Higher education					
4.2.1	University entrance level	Yes	Yes	Yes	Yes	Yes
4.2.2	Academic requirements	Yes (please describe in comments field)	Yes (please describe in comments field)	Yes (please describe in comments field)	Yes (please describe in comments field)	Yes (please describe in comments field)
4.2.3	Educational background new members	Accounting, finance or business; university degree; Accounting, finance or business higher education	General university degree; Accounting, finance or business university degree	General university degree; Accounting, finance or business university degree; Accounting, finance or business higher education	Accounting, finance or business university degree	General university degree; Accounting, finance or business university degree
4.2.4	% With general university degree	0	Ma	Ma	0	Ma
4.2.5	% With accounting, finance and business university degree	100	Ma	50	100	80
4.2.6	% With general higher education	0	Ma	Ma	0	Ma

		CECCAR	CAFR	ACAP	AAFA	AAARS
4.2.7	% With accounting, finance and business higher education	100	Ma	30	o	Ma
5.	Examination, education and training					
5.1.	Final examination					
5.1.1	Objective final examination	Theoretical knowledge; Ability to apply knowledge in practice; Intellectual skills; Interpersonal skills; Communication skills; ICT applications; Professional values	Theoretical knowledge; Ability to apply knowledge in practice; Intellectual skills; ICT applications; Professional values	Theoretical knowledge; Ability to apply knowledge in practice; Professional values	Theoretical knowledge; Ability to apply knowledge in practice; Intellectual skills; Professional values	Theoretical knowledge; Ability to apply knowledge in practice; Intellectual skills; Communication skills; Professional values
5.1.2	Level final examination	Undergraduate level	Postgraduate level	Postgraduate level	Graduate level	Postgraduate level
5.1.3	Admission final examination	Professional education; Practical training; General education	Professional education; Practical training; General education	Professional education; Practical training; General education	Professional education; Practical training; General education	Professional education; General education
5.1.5	Methods final examination	Multiple choice questions; Case study; Oral	Multiple choice questions; Oral	Multiple choice questions; Case study	Open ended questions; Multiple choice questions; Case study	Open ended questions; Multiple choice questions; Case study
5.1.6	Pass mark	70	65	75	70	60
5.1.7	Pass rate	85	100	70	25	10
5.1.8	Frequency	1	5	2	2	3

		CECCAR	CAFR	ACAP	AAFA	AAARS
5.1.9	Conditions and procedures	Uniform for all students	Uniform for all students; Given simultaneously (irrespective of locations and time differences); Developed and administered under adequate security conditions; Objectively graded by qualified staff	Uniform for all students; Given simultaneously (irrespective of locations and time differences); Developed and administered under adequate security conditions; Objectively graded by qualified staff	Uniform for all students; Given simultaneously (irrespective of locations and time differences); Developed and administered under adequate security conditions; Objectively graded by qualified staff	Uniform for all students; Given simultaneously (irrespective of locations and time differences); Developed and administered under adequate security conditions; Objectively graded by qualified staff
5.1.10	Providers final examination	Professional body	Professional body	Professional body	Government	Professional body
5.1.12	External review final examination	No	Yes	Yes	No	Yes
5.1.13	Expertise and resource final exam	Yes	Yes	Yes	Yes	No
5.2.	Professional education					
5.2.1	Level professional education	Postgraduate level	Postgraduate level	Graduate level	Undergraduate level	Postgraduate level
5.2.2	Admission professional education	Yes	Yes	Yes	No	Yes
5.2.4	Duration professional education	Ma	3	5	5	3
5.2.5	Full time or part time professional education	Part time	Part time	Part time	Part time	Full time Part time
5.2.6	Combination education - training	Required	Required	Possible	Possible	Possible
5.2.7	Providers professional education	Universities	Professional body; Universities; Commercial companies	Professional body; Universities; Commercial companies	Commercial companies	Professional body; Universities
5.2.8	Expertise and resources professional education	Yes	Yes	No	Yes	No

		CECCAR	CAFR	ACAP	AAFA	AAARS
5.2.9	Recognition professional education	By government; By professional body	By professional body	By professional body	Other	By government; By professional body; Other
5.2.10	Periodic review professional education	Yes	Yes	No	No	Yes
5.2.12.	Accounting, finance and related knowledge					
5.2.12.1	IFRS	Yes	Yes	Yes	Yes	Yes
5.2.12.6	ISA	Yes	Yes	Yes	Yes	Yes
5.2.12.9	IFAC Code of Ethics	Yes	Yes	Yes	Yes	Yes
5.2.13	Organizational and business knowledge					
5.2.14	Information Technology					
5.2.1	Skills, values, ethics and attitudes					
5.3.	Practical experience					
5.3.1	Admission practical training	Yes	Yes	No	No	No
5.3.4	Full time or part time practical training	Part time	Part time	Full time	Full time	Full time Part time
5.3.5	Years of practical training	3	3	3	3	3
5.3.6	Days practical training per year	50	75	5	Ma	258
5.3.7	Regulations practical training	Yes	Yes	No	Yes	Yes
5.3.9	Periodic review practical training	Yes	Yes	No	No	Yes
5.3.11	Providers practical training	Public practice	Public practice; Industry and commerce; Government; Other	Public practice; Industry and commerce; Government; Other	Public practice; Industry and commerce; Government	Public practice; Industry and commerce; Government; Other
5.3.12	Percentage public practice	100	100	Ma	Ma	1
5.3.13	Percentage industry and commerce	0	0	Ma	Ma	Ma
5.3.14	Percentage government	0	0	Ma	Ma	Ma
5.3.15	Percentage other areas	0	0	Ma	Ma	Ma
5.3.16	Expertise and resources practical training	Yes	Yes	No	Yes	No
5.3.18	Recognition practical training	By professional body	By professional body	Other	By government	By professional body

ANNEX 2.2 SRRS, SCAAK, IRRCG, IEKA and ICPA

		SRRS	SCAAK	IRRCG	IEKA	ICPA
	Global Accountancy Education Questionnaire					
1.	General information					
1.1	Full name of the professional body	Serbian Association of Accountants and Auditors	Society of Certified Accountants and Auditors of Kosovo	Institute of Accountants and Auditors, Montenegro	Institute of Authorized Chartered Auditors of Albania	Institute of Certified Public Accountants in Bulgaria
1.2	Official abbreviation	SRRS (English SAAA)	SCAAK	IRRCG	IEKA	ICPAB
1.3	Official title	Accountant, Chart. Acc. and Certified Public Acc.	Certified Accountant; Licensed Auditor	Certified Professional Accountant	Chartered Auditor	Certified Public Accountant
1.4	Abbreviation of title	R, OR, OJR	None	CPA, Montenegro	E.k.a (CA)	CPA
1.5	Contact person	Zoran Skobic	Jan Tyl	Dr Zoran Todorovic	Hysen Cela	Gavril Gavrilov
1.6	Title and function	Senior Consultant - Int. Relations	Chartered Accountant (CDN), Licensed Auditor (CZ-ret'd) Technical Manager International Federation of Accountants	Executive Director, IAAM	Executive Director	Member of the Managing Board - responsible for the Institute's foreign relationships
1.7	Country	Serbia	UN-administered Kosovo, Union of Serbia and Montenegro	Montenegro	Albania	Bulgaria

		SRRS	SCAAK	IRRCG	IEKA	ICPA
1.8	Contact details	Njegoseva 19, POB, 403 11000, Belgrade Serbia & Montenegro Tel: +381 11 33 44 404, Fax: +381 11 32 31 220	Rruga Sylejman Vokshi N 14, Pristina, Kosovo; Tel: +381 (0)38 249 043	Malo Brdo, Momisici A-N3 I N4, 81000 Podgorica, Serbia & Montenegro. Tel: +381 81 227 754,227 753 Fax: ++381 81 227 708	Rruga: Nikolla Tupe, Po Box 1437 Tirana, Albania Tel/fax +355 42 3 4187	22, Iskar Street, 1000 Sofia, Bulgaria Tel/fax: +359 2 950 0777
1.9	E-mail address	skobicz@ srrs.org.yu	info@ scaak-ks.org	zorant@ irrcg.cg.yu	cela_hysen@ yahoo.com	ides@ides.bg
1.10	Website	www.srrs.Org.yu	http://www.scaa k-ks.org	www.irrcg.cg.yu	NA	www.ides.bg
2.	Professional characteristics					
2.1	Legal System	Civil law	Civil law	Civil law	Civil law	Civil law
2.2	Economic Position	In transition / developing	In transition / developing	In transition / developing	In transition / developing	In transition / developing
2.3	Regulation accountancy sector	By law and by professional self regulation	By law	By law and by professional self regulation	By law and by professional self regulation	By law and by professional self regulation
2.4	Recognition professional body	Regulatory and disciplinary body	Regulatory and disciplinary body	Regulatory and disciplinary body	Regulatory body	Regulatory and disciplinary body
2.5	IFAC membership	Yes	Yes	Yes	Yes	Yes
2.6	Membership regional organization	Yes	No	Yes	Yes	Yes
2.7	Name regional organization	FCM, SEEPAD		SEEPAD	FIDEF, SEEPAD	FEE, SEEPAD, FIDEF, FCM
3.	Professional body					
3.1	Members					
3.1.1	Members on 01/01/2004	30,000	104	594	107	573
3.1.2	Female members (%) on 01/01/2004	80	15	67	36.4	66
3.1.3	Employment sector	Public practice; Industry and commerce; Government; Other areas	Industry and commerce; Government	Public practice; Industry and commerce; Government; Other areas	Public practice	Public practice; Industry and commerce; Government; Other areas

		SRRS	SCAAK	IRRCG	IEKA	ICPA
3.1.4	Percentage public practice	10	0	7	100	90
3.1.5	Percentage industry and commerce	60	90	75	0	6
3.1.6	Percentage government	25	10	17	0	1
3.1.7	Percentage other areas	5	0	1	0	4
3.2.	New members					
3.2.1	New members in 2003	1,200	49	0	0	11
3.2.2	New female members (%) in 2003	75	16	Ma	Ma	78
3.2.3	Employment sector new members in 2003	Public practice; Industry and commerce; Government; Other areas	Industry and commerce; Government	Ma	Public practice	Public practice
3.2.4	Percentage in public practice	12	0	Ma	Ma	100
3.2.5	Percentage in industry and commerce	80	55	Ma	Ma	0
3.2.6	Percentage in government	5	45	Ma	Ma	0
3.2.7	Percentage in other areas	3	0	Ma	Ma	0
3.3.	Continuing profession development					
3.3.1	Membership professional body	Yes	Yes	Yes	Yes	Yes
3.3.2	CPD standards	Yes	Yes	Yes	Yes	Yes
3.3.3	CPD promotion	Yes	Yes	Yes	Yes	Yes
3.3.4	CPD facilities	Yes	Yes	Yes	Yes	Yes
3.3.5	CPD requirements	Yes	Yes	Yes	Yes	Yes
3.3.6	CPD enforcement	Yes	No	Yes	Yes	Yes
3.3.7	CPD approaches	Combination	Combination	Output-based	Combination	Combination
3.3.8	CPD Providers	Professional body	Professional body	Professional body	Professional body	Professional body; Commercial companies
3.3.9	CPD Expertise and resources	Yes	No	Yes	Yes	Yes
3.3.10	CPD Recognition	By professional body	Other	By professional body	By professional body	By professional body
3.3.11	CPD Periodic review	Yes	No	Yes	Yes	Yes

		SRRS	SCAAK	IRRCG	IEKA	ICPA
3.3.13	CPD employment sector	Public practice; Industry and commerce; Government; Other areas	Public practice; Industry and commerce; Government	Public practice; Industry and commerce; Government; Other areas	Public practice	Public practice
3.3.14	CPD hours public sector	30	0	Ma	40	40
3.3.15	CPD regulation public sector	Yes	Yes	Yes	Yes	Yes
3.3.16	CPD hours industry and commerce	30	0	Ma	Ma	Ma
3.3.17	CPD regulation industry and commerce	Yes	Yes	Yes	Ma	Ma
3.3.18	CPD hours government	30	0	n/a	Ma	Ma
3.3.19	CPD regulation government	Yes	Yes	Yes	Ma	Ma
3.3.20	CPD hours other areas	30	Ma	Ma	Ma	Ma
3.3.21	CPD regulation other sectors	Yes	Ma	Yes	Ma	Ma
4.	Professional qualification					
4.1	Qualification standards					
4.1.1	Goal accountancy education	Professional accountant; Professional auditor	Professional accountant; Professional auditor	Professional accountant; Professional auditor	Professional accountant; Professional auditor	Professional auditor
4.1.3	Admission requirements	Final examination; Professional education program; Practical training program	Professional education program; Practical training program	Final examination; Professional education program; Practical training program	Final examination; Professional education program; Practical training program	Final examination; Professional education program; Practical training program
4.1.4	Responsibility	Professional body	Professional body; Other	Government; Professional body	Government	Professional body
4.1.5	International standards	IFAC International Education Standards; Other	IFAC International Education Standards ; EU Directives	IFAC International Education Standards ; EU Directives	IFAC International Education Standards ; EU Directives	IFAC International Education Standards
4.1.7	Recognition standards I	Yes	No	No	No	No
4.1.9	Recognition standards II	Yes	Yes	No	Yes	Yes
4.2.	Higher education					

		SRRS	SCAAK	IRRCG	IEKA	ICPA
4.2.1	University entrance level	Yes	Yes	Yes	Yes	Yes
4.2.2	Academic requirements	Yes (please describe in comments field)	Yes (please describe in comments field)	Yes (please describe in comments field)	Yes (please describe in comments field)	Yes (please describe in comments field)
4.2.3	Educational background new members	General university degree; Accounting, finance or business university degree; General higher education; Accounting, finance or business higher education	General university degree	General university degree	Accounting, finance or business university degree; Accounting, finance or business higher education	General university degree; Accounting, finance or business university degree; General higher education; Accounting, finance or business higher education
4.2.4	% With general university degree	10	100	100	Ma	0
4.2.5	% With accounting, finance and business university degree	40	0	0	Ma	100
4.2.6	% With general higher education	5	0	0	Ma	0
4.2.7	% With accounting, finance and business higher education	45	0	0	Ma	0
5.	Examination, education and training					
5.1.	Final examination					

		SRRS	SCAAK	IRRCG	IEKA	ICPA
5.1.1	Objective final examination	Theoretical knowledge; Ability to apply knowledge in practice; Intellectual skills; Interpersonal skills; Communication skills; ICT applications; Professional values	Theoretical knowledge; Ability to apply knowledge in practice; Intellectual skills; Communication skills; Professional values	Theoretical knowledge; Ability to apply knowledge in practice; Intellectual skills; Communication skills; Professional values	Theoretical knowledge; Ability to apply knowledge in practice; ICT applications; Professional values	Theoretical knowledge; Ability to apply knowledge in practice; Professional values
5.1.2	Level final examination	Graduate level	Graduate level	Postgraduate level	Postgraduate level	Postgraduate level
5.1.3	Admission final examination	Professional education; Practical training; General education	Professional education; Practical training	Professional education; General education	Professional education; Practical training	Professional education; Practical training; General education
5.1.5	Methods final examination	Open ended questions; Multiple choice questions; Case study; Thesis	Open ended questions; Multiple choice questions; Case study	Case study	Open ended questions; Case study ; Thesis	Open ended questions; Multiple choice questions; Case study ; Oral
5.1.6	Pass mark	60	67	50	51	75
5.1.7	Pass rate	60	40	55	Ma	27,5
5.1.8	Frequency	3	4	2	1	1

		SRRS	SCAAK	IRRCG	IEKA	ICPA
5.1.9	Conditions and procedures	Uniform for all students; Given simultaneously (irrespective of locations and time differences); Developed and administered under adequate security conditions; Objectively graded by qualified staff	Uniform for all students; Given simultaneously (irrespective of locations and time differences); Developed and administered under adequate security conditions; Objectively graded by qualified staff	Uniform for all students; Given simultaneously (irrespective of locations and time differences); Developed and administered under adequate security conditions; Objectively graded by qualified staff	Uniform for all students	Developed and administered under adequate security conditions; Objectively graded by qualified staff
5.1.10	Providers final examination	Professional body	Professional body	Professional body	Government	Professional body
5.1.12	External review final examination	No	Yes	Yes	No	No
5.1.13	Expertise and resource final exam	Yes	No	Yes	Yes	Yes
5.2.	Professional education					
5.2.1	Level professional education	Postgraduate level	Graduate level	Postgraduate level	Graduate level	Graduate level
5.2.2	Admission professional education	Yes	Yes	Yes	No	Yes
5.2.4	Duration professional education	2	2	2	4	5
5.2.5	Full time or part time professional education	Part time	Part time	Part time	Full time Part time	Full time
5.2.6	Combination education - training	Required	Possible	Possible	Possible	Required
5.2.7	Providers professional education	Professional body; Commercial companies	Professional body; Commercial companies	Professional body	Universities	Professional body; Universities
5.2.8	Expertise and resources professional education	Yes	Yes	Yes	Yes	Yes
5.2.9	Recognition professional education	By professional body	By professional body	By government	By government	By government
5.2.10	Periodic review professional education	Yes	Yes	Yes	Ma	Yes

		SRRS	SCAAK	IRRCG	IEKA	ICPA
5.2.12	Accounting, finance and related knowledge					
5.2.12.1	IFRS	Yes	Yes	Yes	No	Yes
5.2.12.6	ISA	Yes	Yes	Yes	No	Yes
5.2.12.9	IFAC Code of Ethics	Yes	Yes	Yes	No	Yes
5.2.13	Organizational and business knowledge					
5.2.14	Information Technology					
5.2.15	Skills, values, ethics and attitudes					
5.3	Practical experience					
5.3.1	Admission practical training	No	Yes	No	Yes	Yes
5.3.4	Full time or part time practical training	Full time	Full time	Full time	Full time Part time	Full time Part time
5.3.5	Years of practical training	3	3	3	3	4
5.3.6	Days practical training per year	260	260	240	Ma	260
5.3.7	Regulations practical training	Yes	No	No	Yes	Yes
5.3.9	Periodic review practical training	No	No	No	Yes	Yes
5.3.11	Providers practical training	Public practice; Industry and commerce; Government	Public practice; Industry and commerce; Government	Public practice; Industry and commerce; Government	Public practice	Public practice; Industry and commerce; Government; Other
5.3.12	Percentage public practice	12	5	7	100	100
5.3.13	Percentage industry and commerce	70	75	76	0	0
5.3.14	Percentage government	18	20	17	0	0
5.3.15	Percentage other areas	0	0	0	0	
5.3.16	Expertise and resources practical training	Yes	No	Yes	Yes	Yes
5.3.18	Recognition practical training	By professional body	Other	By professional body	By professional body	By government By professional body

ANNEX 3 SEEPAD COUNTRIES WITH EVALUATOR REPORTS

For each professional body and the comparison countries, an overview is given of the professional qualification, education and training of accountants and auditors.

Country	Professional Body	Abbreviation
Albania	Albanian Institute of Authorised Chartered Auditors	IEKA
Bosnia & Herzegovina	Association of Accountants & Auditors in the Republika Srpska	AAARS
Bulgaria	Institute of Certified Public accountants in Bulgaria	ICPA
Kosovo	Society of Certified Accountants and Auditors of Kosovo	SCAAK
Macedonia	Association of Accountants, Financial Workers and Auditors of the Republic of Macedonia	AAFA
Moldova	Association of Professional Accountants and Auditors Of the Republic of Moldova	ACAP
Montenegro	Institute of the Association of Accountants of Montenegro	IRRCG
Romania	Chamber of Auditors in Romania	CAFR
Romania	Body of Expert and Licensed Accountants of Romania	CECCAR
Serbia	Serbian Association of Accountants and Auditors	SRRS

ANNEX 3.1 Overview IEKA - Albania

Professional Body	Institute of Authorized Chartered Auditors of Albania (IEKA)
Professional Title	Chartered Auditor (CA)
Country Respondent	Hysen Cela, Executive Director, IEKA
External Evaluator	Sonila Bicaku
Country	Albania

General Views

The accountancy profession in Albania is in a state of development. The procedure for the qualification of Chartered Auditors started in 2001. As a result the final examinations for new members from Albania only started in 2004. This means that the necessary growth of membership as a basis for internationally compatible developments is only just beginning. Outside input of expertise can make an important contribution based on the international recognition of qualifications. This would also promote possibilities for IFAC membership of IEKA.

Priorities

- Development of the role and responsibilities of IEKA in membership regulation and CPD in cooperation with the Government that is responsible for standard setting.
- Strengthening of qualification standards to enhance the position of the accounting and auditing profession in Albania as a basis for international recognition.
- Cooperation with the universities to achieve the necessary level of academic and professional education.
- Attention for the system in which candidates obtain practical experience.

Benchmarks

In the area of Professional Characteristics specific attention is needed for Qualification Standards and International Recognition.

Education and Training shows critical deficiencies in regard to Information Technology and in regard to Skills, Values and Ethics. There is a serious shortage in the available number of qualified providers of practical experience.

Finance, Accounting and Related Knowledge must be further developed with a focus on Financial Accounting and Reporting, Management Accounting and Control, Audit and Assurance and on Professional Values and Ethics.

Organizational and Business Knowledge in the university curriculum needs overall attention with special emphasis on Corporate Governance, Business Ethics and Financial Markets.

The integration of Skills, Values, Ethics and Attitudes in professional education and in practical experience can provide an important contribution to the professional expertise of new members of IEKA.

Details

The accountancy sector in Albania is regulated by law and by professional self-regulation. The Institute of Authorized Chartered Auditors of Albania (IEKA) is recognized as a regulatory body. IEKA is an associate member of IFAC since 2000 and a member of SEEPAD and FIDEF.

Members of IEKA work in public practice. The membership situation is classified as sustainable. New members will also work in public practice. The normal procedure for Chartered Auditors started in 2001 and as a result the next generation of auditors will enter the examinations for obtaining the Chartered Auditor title in 2004. During the years 2001, 2002, 2003 there were about 30-35 candidates each year.

Membership of the professional body is mandatory and IEKA sets standards for CPD of its members. As a result CPD in public practice is mandatory. Members of IEKA not participating in CPD training have to pass a test to maintain membership. The Institute is the provider of CPD and cooperates with the staff of universities and other recognized experts. IEKA resources are limited and the CPD program and literature must be further developed. At the moment there are material deficiencies.

The profession of accountant is established by ordinance of the Finance Minister and requires prior experience in accounting (not less than three years) and passing one exam on accounting, commercial law, financial issues and other similar requirements. Professional chartered auditors` profession is regulated by the government decree and requires three years of practical experience in an audit firm and passing five exams based mainly on the requirements of the EU 8th directive, which are included in the regulations of IEKA. It is required as a minimum to possess a graduate degree in accounting, finance or other economics degrees.

Admission requirements as a member of IEKA include a formal final examination of professional competence, prescribed programs of professional education and practical training. The government is responsible for standard setting for the qualification. IFAC International Education Standards and EU Directives are followed on a voluntary basis. There is no international recognition of the IEKA qualification. ACCA standards are recognized within the SEEPAD member countries. There are material deficiencies in qualification standards, which must be brought in line with the system used in other countries to enable recognition of the Albanian profession in other countries as well.

Candidates for membership must possess an accounting, finance or business university degree. There are material deficiencies in regard to the input from higher education.

The objective of the final examination is to test theoretical knowledge, the ability to apply knowledge in practice, ICT applications and professional values. Prior to certification the candidate has to pass successfully five tests on the following disciplines: (1) Accounting, analysis of annual accounts and accounting reviews; (2) Civil law, commercial law, penal and labor law to the extent they are related with the audit profession; (3) Accounting and auditing standards and their legislation; (4) Management, internal control organization, including IT systems; and (5) Taxation issues. The final examination is uniform for all students. The government is responsible for the final examination. There are material deficiencies in the final examination in regard to international recognition.

Universities recognized by the government provide professional education as part of relevant degree programs. Subjects of the four to five year studies include accounting, finance, economics and management. The program is mostly full time and the necessary expertise and resources are available at the universities. There are material deficiencies in the existing programs.

International program requirements are defined in the IFAC International Education Standards. Comparison with the actual situation leads to the following conclusions.

- There are material deficiencies in Accounting, Finance and Related Knowledge. International Financial Reporting Standards (IFRS), International Standards on Auditing (ISA) and the IFAC Code of Ethics are not covered. There are urgent or critical deficiencies in Financial Accounting & Reporting, Management Accounting & Control, Audit & Assurance and Professional Values & Ethics.
- Organizational and Business Knowledge has material deficiencies concentrated in urgent or critical deficiencies for Corporate Governance, Business Ethics and Financial Markets. Critical deficiencies exist in the area of Information Technology and for the development of skills, values, ethics and attitudes.

Three years of practical experience in auditing in an audit firm (doing audit work, review work, accounting work, attending training seminars... etc) is mandatory before the final examination can be taken. Both employment contract (full time employment) and service providing contract (part time) of the candidate with an audit firms or auditors are allowed.

IEKA members provide fieldwork for the new candidates during their audit work to various clients. The professional body recognizes providers of practical training. Regulations deal with procedures and other regulations on admission of the new applicant for performing their practical experience at one member of the institute, they provide regulations for the contract, for training etc. Periodic review takes place at least once a year. Material deficiencies in regulation and critical deficiencies in the number of qualified providers of practical training are a result of the level of development of the audit profession in itself.

ANNEX 3.2 Overview AAARS - Bosnia & Herzegovina

Professional Body	Association of Accountants and Auditors in the Republika Srpska (AAARS)
Professional Title	Authorised Auditor (AA), Certified Accountant (CA)
Country Respondent	Vladislav Djurasovic, President AAARS
External Evaluator	Liam Coughlan
Country	Bosnia & Herzegovina (BiH)

The Association of Accountants and Auditors in the Republika Srpska (AAARS) is the largest professional accounting and auditing association in Bosnia & Herzegovina. Since the implementation of the Dayton Peace Agreement the AAARS has taken significant steps towards meeting IFAC's membership obligations. The AAARS has received technical and financial assistance from USAID's accounting reform project, and this assistance is planned to continue through 2005.

The AAARS has implemented a syllabus for the professional education program based upon the ACCA-UK syllabus, as amended to incorporate additional material contained in the UNCTAD model curriculum. The professional education program is being reviewed in 2005 following publication and acceptance of the IFAC International Education Standards. In November 2004 the AAARS became an Associate Member of IFAC, and is working towards the objective of achieving full membership in 2006. It is a member of SEEPAD.

The benchmarking exercise has presented a valuable opportunity for the AAARS to assess its progress towards meeting International Education Standards and achieving its goal of producing accountants and auditors of the highest professional and ethical standards to meet the needs of the economy.

Priorities

- Continued technical assistance has been sought by the AAARS from the donor community to enable implementation of reforms required to meet IFAC SMO and its obligations as a professional body under new 2004/2005 Bosnia laws.
- USAID has committed to assisting the development of the accounting and audit profession in BiH through 2005. USAID's mission in BiH is a one of the early supporters of SEEPAD and continues to support its activities through the BiH professional bodies.
- The World Bank's REPAIRIS project, comprising local and regional initiatives, represents an excellent resource for development of accounting and auditing in BiH in the longer term.

Benchmarks

Professional Characteristics confirm the progress that already has been made. Qualification Standards and the input from Higher Education should be further developed.

Accounting, Finance and Related Knowledge is being developed. Additional attention is needed for Financial Accounting and Reporting, for Management Accounting and Control and for Audit and Assurance.

In the area of Organizational and Business Knowledge specific attention in cooperation with the universities should be given to Corporate Governance, Business Ethics and Financial Markets.

The area of Skills, Values, Ethics and Attitudes needs overall attention.

Details

The accountancy sector in Bosnia & Herzegovina is regulated by law and by professional self-regulation. The Association of Accountants and Auditors in the Republika Srpska (AAARS) is recognized as a regulatory and a disciplinary body.

Members of AAARS work in public practice, industry and commerce, government and in other areas. Members of AAARS are certified auditors and certified accountants. There are an insufficient number of auditors and accountants working in public practice to meet statutory audit demands. New members of AAARS also work in all employment areas. There is an insufficient supply of new auditors. Material deficiencies exist in both the number of members and the number of new members.

Membership of the professional body is mandatory and AAARS sets standards for CPD of its members. All certified accountants and authorized auditors are required to undertake 120 hours of CPD over three years. The Association organizes regular residential CPD events and publishes regular professional updates. The professional body dominates the market for the provision of CPD, often subcontracting commercial companies to organize, design and deliver courses. Universities hold (occasionally) CPD events. The emphasis is on attendance at CPD seminars rather than gaining specific new or improved competencies. There is a process for monitoring the quantity of CPD undertaken by members. There is no effective enforcement of the CPD requirement. Following a review of CPD in 2003 the Association adopted the IFAC IES in 2004. AAARS lacks the capacity to implement the IES. There are critical deficiencies in CPD.

Admission requirements as a member of AAARS include a formal final examination of professional competence, prescribed programs of professional education and practical training. Compared with accountants, auditors are required: (1) to serve a three year period under the supervision of a qualified auditor; (2) to pass five additional examinations; (3) to obtain a license from the State (Ministry of

Finance). At present the Ministry of Finance has delegated authority for qualification to the AAARS. The BiH Commission for Accounting and Auditing Standards assumes responsibility for standard setting for qualifications with effect from 2005. It provides for the establishment of uniform requirements throughout Bosnia & Herzegovina. IFAC IES have been adopted from 2004; relevant parts of EU Directives are followed on a voluntary basis; the UNCTAD model curriculum has been used as a basis for the current professional syllabus. The AAARS qualification is recognized in Serbia and Montenegro by a reciprocal agreement. There are critical deficiencies in qualification standards and material deficiencies in international recognition.

All entrants to the profession are required to have a three-year full-time degree at the economics faculty of a recognized BiH university. Most candidates elect to choose accounting and finance majors. There are critical deficiencies in the input from higher education as the universities in BiH are in a process of major restructuring.

The objective of the final examination is to test theoretical knowledge; the ability to apply knowledge in practice; intellectual and communication skills; professional values. Final examination core program for Certified Accountant: 1-Business Law and Taxation; 2-Financial Management and Control; 3-Intermediate Financial Reporting; 4-Auditing and Internal Control systems; 5-Advanced Management Accounting. A Certified Accountant who wishes to become an Authorized Auditor must complete the following additional courses: 1-Marketing Management; 2-Audit Management and Investigations; 3-Advanced Financial Reporting; 4-Advanced Financial Management; 5-Strategic Management. From 2005, all accountants will be required to complete the same exam requirements as auditors (as above). The examinations are uniform for all students, given simultaneously, developed and administered under adequate security conditions, objectively graded by qualified staff. The professional body provides the final examination. From 2005 the commission will provide the examinations. Development of the final examination is urgent.

The final examination requires candidates to have passed penultimate examinations, which are accessible only to University degree holders. The experience requirement is tested at the point of application for membership, and not when a candidate applies to sit the final exams. The Certified Accountant is required to hold a degree from the Economics faculty. Most of these degrees are general business degrees and some candidates will have elected to take more courses in accounting and finance. Most students will therefore be exempt from: 1- Introduction to Financial Accounting; 2-Costing and introduction to Management Accounting; 3-Management and Communications; 4-Information Technology and applications. Depending on courses completed at University, students can obtain exemptions from one or two of the Certified Accountant courses and examinations.

Universities provide full-time technician level of professional education. After graduation, candidates continue in the professional program using either self-directed methods or through attendance at courses. Each course requires 120 hours

of study (minimum) and involves attendance of 40 hours of tuition (not compulsory). From 2005 commercial companies will be permitted to offer professional education. There is a lack of expertise in professional auditing, management accounting and finance. There are critical deficiencies in professional education.

International program requirements are defined in the IFAC International Education Standards. Comparison with the actual situation leads to the following conclusions.

- There are critical and material deficiencies in Accounting, Finance & Related Knowledge. International Financial Reporting Standards (IFRS), International Standards on Auditing (ISA) and the IFAC Code of Ethics are covered. For most subjects there are urgent, critical or material deficiencies in Organizational & Business Knowledge and critical deficiencies in Information Technology. There are critical deficiencies in skills, values, ethics and attitudes.

Three years of "appropriate relevant" practical experience is required vouched by a formal statement by the employer, depending on the qualification either a Certified Accountant or an Authorized Auditor. Development of practical training is urgent. Practical training can be provided in all employment areas. Further development of available providers is urgent.

ANNEX 3.3 Overview ICPA - Bulgaria

Professional Body	Institute of Certified Public Accountants in Bulgaria (ICPA)
Professional Title	Certified Public Accountant (CPA)
Country Respondent	Gavril Gavrilov, Member Managing Board, ICPA
External Evaluator	Bill Phelps and Dennis Mitchem
Country	Bulgaria

General Views

Bulgaria has made great strides toward meeting international standards and EU 8th Directives. The ICPA has the framework – organization, facilities, potential revenue stream for sustainability and professional staff, to meet the challenges that lie ahead with international standards and EU compliance. However, it encounters some impediments with respect to the legal framework, governmental desire to regulate and commonality of goals by the full membership. The right building blocks are present, however, there is need for improvement.

Priorities

- Two important legal changes would accelerate the professional development effort. One is reducing the practical experience requirements. Two, is requiring compliance to IFRS without modification.
- More fully integrate into the professional body politic all of its stakeholders—accountants, auditors, universities, small and large accounting/auditing firms, and respective government agencies. Consequences of a fragmented stakeholder base include lack of fully realizing revenue potential, diluted advocacy base for change, etc.
- A rigorous regime is needed for disciplining substandard and unethical work by accountants/auditors. A structure is in place but closer scrutiny is needed to be proactive in searching out substandard work and following up with fair, thorough investigations where the penalties are commensurate with the infractions.
- A study group should be activated with a balanced representation of academics and practitioners to ensure that the CPD content and the examination material presents both tests both the theory and practical application of the examinee.
- Similarly a study group should be activated to review and implement the IFAC “An Advisory on Examination Administration”. With today’s spotlight on ethics and values, the whole examination infrastructure - test contents, security, grading, etc. is under close review. This Advisory is very well done and merits close consideration.

Benchmarks

Professional Characteristics confirm the progress that already has been made. Specific attention is needed for Qualification Standards and International Recognition.

Accounting, Finance and Related Knowledge is being developed. Specific attention is needed for Management Accounting and Control.

In comparison Organizational and Business Knowledge is less well developed. Specific attention in cooperation with the universities is needed for Business Environment, Corporate Governance, Business Ethics, Financial Markets and Organizational Behavior.

The area of Skills, Values, Ethics and Attitudes needs overall attention.

Details

The accountancy sector in Bulgaria is regulated by law and by professional self-regulation. The Institute of Certified Public Accountants in Bulgaria (ICPA) is recognized as a regulatory and a disciplinary body. ICPA is a member of IFAC and a member of FEE, SEEPAD, FIDEF and FCM.

Members of ICPA work in public practice, industry and commerce, government and in other areas. Members of ICPA are individual auditors and audit firms. The membership situation is classified as sustainable. New members work in public practice. The situation in regard to new members is also classified as sustainable.

Membership of the professional body is mandatory and ICPA sets IFAC standards for CPD of its members. CPD is mandatory for all individual members. Audit firms are subject to peer review. The Institute is the provider of CPD with auditors from Bulgaria and other countries as lecturers. University professors and business specialists are also involved. CPD is monitored on a yearly basis as prescribed in ICPA regulations. At the moment there are material deficiencies in CPD, with broader coverage needed for IT and HR organizational development courses, improvement of number and quality of lecturers, and course development.

Admission requirements as a member of ICPA include a formal final examination of professional competence, prescribed programs of professional education and practical training. The professional body is responsible for standard setting for the qualification. IFAC International Education Standards are followed. There is no international recognition of the ICPA qualification. Professional qualifications from other countries are recognized under the following conditions: treaty between ICPA and the relevant other country organization, examination in Bulgarian Commercial and Tax Law in the Bulgarian language. ICPA does recognize ACCA and CPA. There are material deficiencies in qualification standards and critical deficiencies in international recognition of the Bulgarian qualification.

All new members in 2003 have an accounting, finance or business university degree. Other higher education degrees are allowed but as a result a longer period of practical experience is required. Input from higher education is classified as sustainable.

The objective of the final examination is to test theoretical knowledge, the ability to apply knowledge in practice and professional values. Final examination core program: (1) Accounting, oral and written, includes IFRS; (2) Commercial Law; (3) Independent Financial Audit, oral and written, includes ISA; (4) Taxation and Social Security. The final examination is developed and administered under adequate security conditions and objectively graded by qualified staff. The professional body is responsible for the final examination with recognition in the Independent Financial Audit Law. There are material deficiencies in the final examination in regard to international recognition.

Admission requirements to the final examination cover professional education, practical training and general education. Applicants to the final examination must have a university degree. There is considerable interaction between ICPA and the universities.

Professional body and universities, recognized by the government, provide professional education. ICPA provides seminars for candidates, which are not mandatory to be attended, while university studies are. Professional education core program includes but is not limited to: (1) Accounting Theory; (2) Financial Accounting; (3) Management Accounting; (4) Financial Statement Analysis; (5) Auditing; (6) Commercial Law; (7) Employment and Social Security Law; (8) Finance; (9) Statistics; (10) Microeconomics; and (11) IT. The program is full time and the necessary expertise and resources are available at the universities. There are material deficiencies in the existing programs mainly as a result of lack of adequate course material.

International program requirements are defined in the IFAC International Education Standards. Comparison with the actual situation leads to the following conclusions.

- There are material deficiencies in Accounting, Finance and Related Knowledge. International Financial Reporting Standards (IFRS), International Standards on Auditing (ISA) and the IFAC Code of Ethics are covered. IFRS are a part of accounting legislation. ISA are the only applicable standards according to the Independent Financial Audit Act. IFAC Code of Ethics is adopted as the only Code of Ethics for ICPA. There are critical deficiencies in Management Accounting & Control.
- Organizational and Business Knowledge has critical deficiencies concentrated in Business Environment, Corporate Governance, Business Ethics and Financial Markets. The development of Information Technology in professional education is also classified as critical. Overall there are material deficiencies in the development of skills, values, ethics and attitudes in which

interpersonal skills and practical training in values, ethics and attitudes are classified as critical.

A university degree is required for admission to practical training. The Independent Financial Audit Act requires practical training as follows: (1) Four years for those with Master's degree in accounting; (2) Five years for those with Bachelor's degree in accounting; (3) Seven years for those with other university economics degree; (4) Ten years for other university degrees. From the above-mentioned years at least three must be in an audit firm. Part time practical training is allowed but is to be transferred to full time through a coefficient.

Practical training is provided in public practice. Supervision is executed by ICPA. Audit firms have to certify the ability and professional skills of the candidate. Audit firms are registered as complying with legal requirements and for practical training are recognized by the professional body. There are material deficiencies in practical training and in providers of practical training. Issues are policing and the length of the practical training period.

ANNEX 3.4 Overview SCAAK - Kosovo

Professional Body	Society of Certified Accountants and Auditors of Kosovo (SCAAK)
Professional Title	Certified Accountant, Licensed Auditor
Country Respondent	Ardiana Bunjaku, Executive Director, SCAAK
External Evaluator	Jan Tyl
UN Mission	Kosovo

General Views

As a result of political upheaval in the 1990s, the accounting and auditing profession did not exist in Kosovo until 2001. The UN administration and donors gradually established a new financial control system, including accounting and auditing standards and professional associations. First results appeared in 2001, when a basic accounting and auditing law was enacted (it has not been updated since) and a professional association established.

Major achievements in the period following these events include the design and implementation of a professional certification program; cooperation with ACCA and the emergence of many newly qualified accountants. The analysis for Kosovo was prepared using the best international practice benchmarks. Both the professional training and the financial reporting system have moved decisively in the direction of international best practice.

Priorities

- The most challenging impediment for the future development of accounting and auditing is the current university curriculum in Pristina. University graduates may be proficient in rules-based accounting, but do not possess the knowledge and intellectual capacity to learn and apply the principles-based international standards.
- The professional association, while very successful when all circumstances are considered, does not have the capacity to function in certain areas, specifically CPD, effective supervision of members and enforcement of standards. Donor support is needed to improve the status quo.
- The examination process is thorough and policies are strict, however, it is entirely managed by the professional association's office. Input concerning examination content would benefit from stakeholder involvement.
- Professional education needs reassessment – a system was established that brought basic international practices in Kosovo. Local capacity to make any improvements simply does not exist at the moment. It is necessary to develop working relationships with professional accountancy firms and to continue to impress upon the universities the need for and the mutual advantages of cooperation.

Benchmarks

Professional Characteristics including Qualification Standards and International Recognition must be further developed. Deficiencies still exist for Professional Education and the examination process.

Accounting, Finance and Related Knowledge needs additional attention based on present achievements with focus on Financial Accounting and Reporting and on Management Accounting and Control.

University education – Economics, Capital Markets, Corporate Governance, Quantitative Methods, and Organizational Behavior – must be further developed.

The area of Skills, Values, Ethics and Attitudes needs overall attention.

Details

Law regulates the accountancy sector in Kosovo. The Society of Certified Accountants and Auditors of Kosovo (SCAAK) are recognized as a disciplinary body. SCAAK is an associate member of IFAC.

Members and new members of SCAAK work in industry and commerce and in government. There is an urgent need to develop the membership situation both regarding numbers and the position of female accountants. A strategic plan prepared in 2003 that addressed the issue of female participation was not realized due to a lack of funds. In general SCAAK should play an important role in the development of the accountancy profession but without external support it does not have the capacity.

Membership of the professional body is mandatory to use the title of Certified Accountant and SCAAK sets standards for CPD of its members. As a result CPD is mandatory for all members. However, CPD requirements are not clearly specified at the moment and there is no formal program in place. Members are encouraged to use SCAAK resources like library and Internet. Capacity building is very much dependant on donor support which has not been systematic. There is an urgent need to develop CPD.

Mandatory requirements for accountants and auditors are set out in legislation enforced by the Kosovo Financial Reporting Board. Accountants must pass nine qualifying examinations; auditors must then pass two more examinations. There is no formal final examination; candidates have to pass an examination at the end of each course (modeled after ACCA and CGA Canada). The professional body develops syllabuses and training materials. Three years of practical training (relevant experience) has been broadly defined and is required by legislation.

Although SCAAK intends to comply with both IFAC Standards and EU Directives at the moment full compliance is not possible due to lack of capacity. There is an urgent need for the development of qualification standards. There is no regular

international recognition of the two qualifications for Certified Accountants and Licensed Auditors although ACCA has given some exemptions to SCAAK members. All countries with 'similar' qualifications may be recognized. The Kosovo Financial Reporting Board makes the decision on an individual basis. Currently there are no objective criteria for foreign certificate recognition. It is urgent to develop international recognition of the Kosovo qualification and objective criteria for the recognition of foreign certificates.

All candidates wishing to obtain the qualification Certified Accountant and Licensed Auditor must have a university degree. At the moment there are critical deficiencies in regard to the input from higher education. Development of programs suitable for future professional accountants and auditors at the university level is crucial.

The objective of the examinations is to test theoretical knowledge, the ability to apply knowledge in practice, intellectual skills, communication skills and professional values. Final examination core program: Stage I: Financial Accounting I, Financial Accounting II, Management & Cost Accounting, Taxes & Regulations; Stage II: Financial Accounting III, Financial Accounting IV, Ethics, Business Case Studies, Introduction to Audit; Stage III: Internal Control in Audit of Financial Statements, Advanced Audit.

All examinations must be passed. After Stage I successful candidates are awarded the accounting diploma Certified Accounting Technician. Stage II leads to the designation Certified Accountant. After Stage III successful candidates are entitled to apply for an audit license with the Kosovo Financial Reporting Board.

The examinations are uniform for all students, given simultaneously, developed and administered under adequate security conditions and objectively graded. The professional body prepares, administers and usually marks the examinations. The members of the Kosovo Financial Reporting Board may review examinations. There are material deficiencies in the final examination process, primarily due to lack of capacity.

Admission requirements for professional education: any recognized university degree. Core program: preparation for the examinations. Duration in general two years part time, although theoretically one year is possible. Professional body and commercial companies provide professional education. In the past donors provided all or a large part of the programs. Now the professional body administers the program and hires part - and fulltime instructors. University involvement has been negotiated but has not happened yet. The program needs an update and upgrade. Local capacity for this does not exist. There are material deficiencies in the existing programs.

International program requirements are defined in the IFAC International Education Standards. Comparison with the actual situation leads to the following conclusions. There are critical deficiencies in Accounting, Finance and Related Knowledge. International Financial Reporting Standards (IFRS), International Standards on Auditing (ISA) and the IFAC Code of Ethics are included although not completely.

There are critical deficiencies in Financial Accounting & Reporting, Management Accounting & Control, Finance & Financial Management and Professional Values & Ethics.

Development of Organizational and Business Knowledge is urgent in particular for Economics, Corporate Governance, Financial Markets, Quantitative Methods, Organizational Behavior, Management & Strategic Decision Making, Marketing and International Business & Globalization. Economics, Quantitative Methods, Organizational Behavior and Marketing should be part of the university curriculum. Material deficiencies exist in the area of Information Technology, where an existing course needs major overhaul and for the development of skills, values, ethics and attitudes.

Three years of practical experience is required prior to certification. In 2002 an administrative instruction was prepared elaborating on the regulation requirements. Validity of the instruction is not clear. No other requirement is in place. There are currently no rules or requirements on the providers of practical experience. Development of practical experience is urgent.

ANNEX 3.5 Overview AAFA - Macedonia

Professional Body	Association of Accountants, Financial Workers and Auditors of the Republic of Macedonia (AAFA)
Professional Title	Certified Auditor (CA)
Country Respondent	Miov Nikolaki, Member AAFA Executive Board
External Assessor	Ivan Kitinov
Country	Macedonia

General Views

Macedonia's accountancy sector, like the economy of the country, is in transition. Major structural changes are taking place, above all the development of the new Audit Law, which is currently in Government proceedings and will be enacted in the second quarter of 2005. From a structural and policy viewpoint, the new law embeds the formation of an Institute, which will more closely regulate the accounting profession. The existing association in Macedonia – AAFA, is moving in the direction to transform itself as an association for accountants, while the new Institute is poised to become the main auditing and accounting association, recognized by the Government of Macedonia.

IFRS are used for company reporting purposes in Macedonia, as per the requirements of the Trade Company Law. Following the requirements of this law, a Rulebook with a Macedonian translation of the IFRS was published in 2004 in the State Gazette and is officially adopted starting 1 January 2005.

Major changes affecting the profession include *inter alia*: a shift of the regulatory role from the Government to the new professional body (including the exam process), the introduction of mandatory CDP requirements and supervision of practical experience (by a certified auditor).

Priorities

- Once structural changes are in place – which ideally will require the inclusion, i.e. representation of all stakeholders of the profession, it will be of vital importance to monitor the formation of the Institute and its working bodies and to actually assess the effectiveness and position of the new association.
- To maintain future comparability of data on Macedonia, repeating the questionnaire and the external assessment process is recommended within 9-12 months.
- Due to the varying quality of university-level education provided in Macedonia, it is recommended that the new Institute work closely with higher education providers, to define acceptable professional education requirements on an individual provider basis.

Benchmarks

In the area of Professional Characteristics specific attention is needed for Members, New members and CPD and for International Recognition of the qualification.

Accounting, Finance and Related Knowledge is being developed. In comparison Organizational and Business Knowledge is less well developed. Specific attention in cooperation with the universities is needed for Business Environment, Corporate Governance, Business Ethics, Financial Markets and Organizational Behavior.

The area of Skills, Values, Ethics and Attitudes needs overall attention with focus on Technical and Functional Skills, Organizational and Business Management Skills and on the contribution of Practical Training to the development of skills.

Details

Law regulates the accountancy sector in Macedonia. The new draft audit law includes the formation of the Institute of Certified Auditors, which to a significant extent will allow self-regulation. The Association of Accountants, Financial Workers and Auditors of the Republic of Macedonia (AAFA) is recognized as a disciplinary body for its members. According to the draft of the new audit law, the Institute will act both as a regulatory and disciplinary body. AAFA is a member of SEEPAD.

Members of AAFA work in public practice, industry and commerce, government and in other areas. There is critical need of accountants with knowledge in IFRS in all sectors. For auditors there is need of team leaders. Accountants in the public sector lack appropriate education and competence in the field. The membership situation is classified as critical. New members also work in all employment sectors. The situation in regard to new members is under the influence of waiting for the new law on auditing. It is classified as critical.

Membership of the professional body is not mandatory and AAFA does not set standards for CPD. The draft of the new audit legislation defines the functions and responsibilities of the Institute, including the responsibility to set and enforce CPD requirements. The importance of CPD is declaratively stated in the existing Statute of the AAFA. The new Statute of the AAFA will include more precisely defined CPD requirements. The draft of the new audit legislation makes CPD mandatory for certified auditors of the Institute. Professional accountants, who are not certified auditors, are encouraged to maintain competence, though for the AAFA association it will become a requirement. At the moment commercial companies mostly provide CPD with some activities by AAFA. Experts to provide CPD are available, but not in sufficient numbers. More resources are needed in the Macedonian language. There are critical deficiencies in CPD.

Admission requirements for auditors include a formal final examination of professional competence and mandatory practical experience in auditing of three years and in accounting of five years. At the moment the government is responsible for standard setting for the qualification; in the future it is envisaged that this

responsibility will be with the Institute. An examination committee will be established by the Institute, which shall prepare the contents of the examination. This committee shall consist of President (appointed by the Ministry of Finance) and four members who are certified auditors. International standards on accountancy education are not followed. IFRS, ISA and the IFAC Code of Ethics are included in the final examination. There are critical deficiencies in the qualification standards.

There is no formal international recognition of the AAFA qualifications, nor are qualifications from other countries recognized in Macedonia. All new members in 2003 have an accounting, finance or business university degree. Input from higher education is classified as sustainable.

The objective of the final examination for auditors is to test theoretical knowledge; the ability to apply knowledge in practice; intellectual skills and professional values. Final examination core program for auditors: (1) Financial Accounting; (2) Auditing; (3) Managerial Accounting; (4) Ethics; (5) Basics of Information Systems and Technology; (6) Tax and Legal Accounting Framework in Macedonia. The candidate must pass the first two parts prior to being allowed to sit the following exams. The examinations are uniform for all students, given simultaneously in written form only, developed and administered under adequate security conditions, objectively graded by qualified staff. The government provides the final examination; in future this will be the professional body. Expertise and resources exist, but are limited. Currently, the Examination Committee within the Ministry of Finance also includes one foreign expert. Macedonian experts exist, that have the capacity to be involved the final examination process. There are material deficiencies in the final examination.

Admission requirements to the final examination cover professional education, practical training and general education. An accounting, finance or business university degree from the Faculty of Economics is required.

Professional education is being provided by donor-funded projects, by individual audit firms and is also being offered at the Faculty of Economics of the Ss. Cyril and Methodius University in Skopje. At present, foreign experts are also involved in the development of professional education, but within a few years they will no longer be providing their support in Macedonia. Qualified Macedonian experts exist, but they need to be enrolled in the professional education process on a continuing, sustainable basis. There are material deficiencies in professional education.

International program requirements are defined in the IFAC International Education Standards. Comparison with the actual situation leads to the following conclusions.

There are material deficiencies in Accounting, Finance and Related Knowledge concentrated in Financial Accounting & Reporting, Management Accounting & Control, Audit & Assurance, Finance & Financial Management, and Professional Values & Ethics. International Financial Reporting Standards (IFRS), International Standards on Auditing (ISA) and the IFAC Code of Ethics are covered. Development of Organizational and Business Knowledge is critical or material in the subjects of

the IFAC IES. There are material deficiencies in Information Technology. There are critical or material deficiencies in the skills, values, ethics and attitudes defined in IFAC IES.

Both according to the current and the draft new audit legislation, practical experience is required for qualifying as a certified auditor, i.e. the candidate must have at least three years of experience in auditing or five years of experience in accounting. The candidate must provide evidence of an employment contract (or other employee records) confirming the position and activities of the candidate in audit and/or accounting. According to the draft of the new audit legislation, admission requirements will change – the candidate will have a mandatory three years of experience in the field of audit, under the supervision of a certified auditor. There are critical deficiencies in practical training.

Practical experience can be gained in any market area. Currently, the expertise and resources come from in-house experience of the Big Four accounting firms and local audit companies, experience in internal audit within banks and selected industry companies, and some faculty staff members. Currently the government recognizes providers of practical training, prospectively by the professional body. There are critical deficiencies in regard to providers of practical training.

ANNEX 3.6 Overview ACAP - Moldova

Professional Body	Association of Professional Accountants and Auditors of the Republic of Moldova (ACAP)
Professional Title	Certified International Professional Accountant (CIPA)
Country Respondent	Marina Shelaru, Executive Director, ACAP
External Evaluator	Gert Karreman and Bill Phelps
Country	Moldova

General Views

The accountancy sector in Moldova is in transition. National Accounting and Auditing Standards have been implemented in 1998. Almost all twenty thousand legal entities have successfully passed to the new accounting and, as far as applicable, auditing system. The National Accounting and Auditing Standards correspond in general with the International Financial Reporting Standards and with the International Standards on Auditing. The standards does not specify the manner of maintenance of accounting for a specific event, the enterprise has the right to develop an appropriate method in accordance with the requirements of the applicable Standard. That is the reason why the enterprises elaborate accounting policy by selecting one of the several allowable methods proposed in each standard and justify the chosen method.

Priorities

- Working groups have been formed with the Ministry of Finance for the development of a new Law on Accounting and a new Law on Auditing. Both laws are long overdue and require massive updates to be in line with present EU Directives.
- ACAP as a voluntary body sets rules for its members. Procedures for the enforcement of the ACAP Code of Conduct are not yet in place and must urgently be developed. The same holds for CPD where guidelines are in place but no operational control.
- As a CIPA participant ACAP has a well-developed examination system for professional accountants. The qualification of Licensed Auditor is the responsibility of the Government. At the moment all applicants, including CIPA and recognized external accountants must pass the examination for Licensed Auditor. Recognition of expertise must be recognized.
- The whole system of professional education must be further developed in cooperation between ACAP, the universities and external providers.

Benchmarks

In the area of Professional Characteristics specific attention is needed for Members and New Members and for CPD, Qualification Standards and International Recognition of qualifications.

The development of Audit and Assurance and of Professional Values and Ethics is urgent. Overall attention in cooperation with the universities is needed for Organizational and Business Knowledge with emphasis on Corporate Governance and related subjects.

This is also the case for Practical Experience, where specific attention is needed for requirements and availability of qualified providers and for the contribution of practical experience to the development of skills.

Details

Law regulates the accountancy sector in Moldova. The Association of Professional Accountants and Auditors of the Republic of Moldova (ACAP) is recognized as a regulatory and a disciplinary body. ACPA is a member of IFAC and a member of SEEPAD and ECCAA (Eurasian Council of Certified Accountants and Auditors).

The overview concentrates on Certified International Professional Accountants (CIPA). Certified Accountant Practitioners (CAP) and academics can also be member of ACAP. Licensed Auditors (LA) fall under the responsibility of the Minister of Finance. They can be member of ACAP. Accountants with recognized foreign qualifications (like CPA, ACCA) can also be member of ACAP. Associate members (in three years time) are all who practice accounting and auditing (no vote). Finally ACAP has student members (no vote).

Members of ACAP work in public practice, industry and commerce, government and in other areas. Considering future market developments there are not enough new qualified members. New members will also work in all areas. Again considering market developments the number of new members must be further developed. Critical deficiencies exist in both the number of existing members and the number of new members.

ACAP is a voluntary body, not regulated by law. ACAP sets rules for its members and is starting disciplinary actions. ACAP has a Code of Conduct but as yet no procedures for enforcement. ACAP sets standards for CPD of its members. At present ACAP members have an individual responsibility for their CPD. CPD guidelines have been published by ACAP as early as 1999. As yet there is no operational system for the control of CPD. ACAP offers courses and seminars for members and practicing accountants. In addition to ACAP there are other providers of CPD, such as the Big Four accounting firms, auditor firms and others who have a license from the Ministry of Education. Development of CPD is classified as urgent.

The qualification of Certified International Professional Accountant (CIPA) is a IFAC compliant Russian language professional accountancy certification with training centers in the participating countries. The qualification of Licensed Auditors (LA) is the direct responsibility of the Government. The LA examination covers accounting, auditing, taxation and law. Even recognized external accountants (like ACCA) have to pass that examination. Discussions with the Government have started to recognize the CIPA qualification for recognition as Licensed Auditor.

Admission requirements as a CIPA include a formal final examination of professional competence, prescribed programs of professional education and practical training. The government is responsible for standard setting for the qualification. The CIPA qualification is recognized by the Government (Ministry of Finance elaborates a draft law that makes provisions for the compulsory certification). ACAP is responsible for coordination of the certification and for the organization of additional courses for the raising of the levels of knowledge and skills. Only ACAP members have the right to get the certificate. IFAC International Education Standards and EU Directives are followed. The CIPA certificates are recognized in eight countries, members of CIS and ECCAA. A CIPA from one country can also participate in the seven other countries. Draft of new laws recognize CPA, CA and other world known professional titles. Further development of qualification standards and international recognition is classified as urgent.

For CIPA a diploma of Higher Education and three years of practical experience in the accountancy profession are required. For CAP one year of practical experience in the accountancy profession is required; a diploma of Higher Education is not required. Input from higher education is classified as sustainable.

The objective of the final examination is to test theoretical knowledge, the ability to apply knowledge in practice and professional values. ACAP follows the CIPA program. The CIPA examinations cover the following subjects: Financial Accounting 1; Managerial Accounting 1; Tax and Law (based on national standards); Financial Accounting 2; Managerial Accounting 2; Finance; Audit. The CAP program covers Financial Accounting 1; Managerial Accounting 1; Tax and Law (based on national standards). The final examination is uniform for all students, given simultaneously, given simultaneously, developed and administered under adequate security conditions, objectively graded by qualified staff. The professional body provides the final examination. The final examination is classified as sustainable.

Professional education is not mandatory. It is usually followed after university education. A candidate should have higher education (in the domain of economy and accounting) and one year of experience as accountant for the first level and three years for the second level. ACAP gives training for the CIPA examination. In addition there are other providers. In general CIPA training centers translate international textbooks and materials and develop supplemental material with input from local professionals and trainers. In general professional education takes 3-5 years after university. Further development of professional education is classified as urgent.

International program requirements are defined in the IFAC International Education Standards. Comparison with the actual situation leads to the following conclusions.

There are material deficiencies in Accounting, Finance and Related Knowledge. International Financial Reporting Standards (IFRS), International Standards on Auditing (ISA) and the IFAC Code of Ethics are covered. There are urgent deficiencies in Audit & Assurance and in Professional Values & Ethics.

Organizational and Business Knowledge has material deficiencies in most subjects. Corporate Governance is critical, International Business and Globalization is urgent. Information technology is sustainable. Urgent, critical and material deficiencies exist in the area of skills, values, ethics and attitudes.

Three years of practical experience is mandatory for CIPA; five years for Licensed Auditors. Development of practical training is urgent. Practical training can be provided in all employment areas. Further development of available providers is urgent.

ANNEX 3.7 Overview IRRCG - Montenegro

Professional Body	Institute of Accountants and Auditors of Montenegro (IRRCG)
Professional Title	Certified Professional Accountant (CPA, Montenegro)
Country Respondent	Dr. Zoran Todorovic, Executive Director, IRRCG
External Evaluator	Brendan McCole
Country	Montenegro

General Views

A new Law on Accounting and Auditing was introduced in early 2002 allocating responsibility for regulating the accounting/auditing profession to a new Institute of Accountants and Auditors of Montenegro (IRRCG); requiring IAS/IFRS financial reporting for all corporations; requiring ISA statutory audit for all corporations with exception for small corporations; specifying the certification and work experience requirements for licensing of auditors; and specifying the adoption of IFAC Code of Ethics for the profession.

Merger of two existing Associations of Accountants formed IRRCG. A new curriculum for certification of accountants was adopted by IRRCG, modeled on existing internationally recognized curriculums and IFAC IES compliant. IRRCG policy introduced requiring that all members re-certify under the new curriculum and examination system before 2007 or forfeit membership of the Institute. Approximately 90% of all accountants are currently within the new program – average period for completion of the recertification program is two years. CPE – decision taken to classify the compulsory re-certification program for all existing members as the IRRCG formal CPE policy for the period 2002 to end 2006. Additional non-compulsory CPE seminars are provided.

Examinations for re-certification consist of Advanced IAS based Financial Accounting, Management Accounting and Corporate Finance, Auditing and Internal Controls and Audit and Assurance Services. Professional Education programs are developed and delivered in conjunction with Training of Trainers programs.

Priorities

- Negotiate a curriculum review with the University of Montenegro to facilitate a specialization in accounting degree option. This is crucial to uplifting the standards of accounting education background of future members of IRRCG. IRRCG is a small Institute with a small membership base and limited financial resources to deliver a comprehensive curriculum independent of the faculty. Donor assistance required at faculty to develop this capacity.
- IRRCG must develop a formal policy and process with respect to supervised practical training for accounting/auditing trainees in auditing and other professions. Donor technical assistance also desirable to implement such a policy.

- A major problem in Montenegro is the lack of local language text books in core curriculum subjects for certification education programs. USAID project provided support for translation of textbooks in 2001 but these texts are currently out of date. Donor assistance urgently required to fund a regional project for development of electronic text material for distribution to different countries to facilitate future revisions and printing at individual country level.

Benchmarks

Professional Characteristics confirm the progress that already has been made. Specific attention is needed for further development of Members and New Members.

Programs for Accounting, Finance and Related Knowledge are available. In comparison Organizational and Business Knowledge is less well developed. Attention is needed for Corporate Governance, Business Ethics, Financial Markets, Management and Strategic Decision Making and for International Business and Globalization.

The area of Skills, Values, Ethics and Attitudes needs attention especially in regard to the contribution of Practical training to the development of necessary competencies.

Details

The accountancy sector in Montenegro is regulated by law and by professional self-regulation. The Institute of Accountants and Auditors, Montenegro (IRRCG) is recognized as a regulatory and a disciplinary body. IRRCG is an associate member of IFAC and a member of SEEPAD.

Members of IRRCG work in public practice, industry and commerce, government and in other areas. There is an urgent need to increase the number of licensed auditors in public practice. There is a critical shortage of professional accountants practicing in Industry and Commerce with proven (certified) knowledge and expertise in modern day financial accounting, management accounting, corporate finance and internal control. As a result development of membership is classified as urgent. No new members were admitted in 2003.

IRRCG established in 2002 via merger of two existing associations of accountants. All existing CPAs retained professional title as members of new IRRCG. IRRCG immediately recognized the need to Re-Certify (International ACCA based Curriculum) all existing CPAs in core areas of Financial Accounting (IAS), Cost and Management Accounting, Corporate Finance and Auditing/Ethics. Existing members given 5 years to Re-Certify or forfeit membership. Urgent need for new younger Professional Accountant members who will have been processed through a more modern market economy faculty education system in terms of curriculum content, delivery style and examination structure.

Membership of the professional body is mandatory. For the next two years re-

certification is the CPD requirement for members. Re-Certification for an individual requires attendance at organized education program of minimum 30 hour, over 15 weeks, in each of 4 subject areas followed by 3 hour written examination in each subject. When re-certification is complete a new more normalized compulsory CPD program will be introduced. USAID funded consultant delivered first cycle of re-certification program. Formal re-certification education program delivered by successfully re-certified CPAs under direct guidance and supervision of Education Manager of IRRCG. Non-compulsory IRRCG seminars presented by IRRCG members from all relevant economic sectors. Course material: USAID funded translated international text books in core subjects, as well as translated IAS/IFRS, ISA and IFAC Code of Ethics. Sustainable system-with respect to re-certification CPD, but will require development of formal CPD policy for post recertification period.

Admission requirements as a member of IRRCG include a formal final examination of professional competence, prescribed programs of professional education and practical training. To register as a student for the professional stage education and examinations, a student must hold a faculty Degree in Economics. Practical experience requirements for admission to membership – three years practical experience in Audit Practice for audit license but the three years may be in general accounting for membership as Certified Professional Accountant in other occupations. The government and the professional body are responsible for standard setting for the qualification.

IFAC International Education Standards and EU Directives are followed in the new curriculum. Due to limited resources there are material deficiencies in qualification standards, which will be gradually addressed, in the coming years. There is no international recognition of qualifications in Montenegro. IRRCG believes that mutual recognition should be deferred until a common acceptable standard of reform implementation has been achieved throughout the region. There are material deficiencies in the input from higher education, as curriculum reform is necessary in favor of specialization in accounting, business and finance.

The objective of the final examination is to test theoretical knowledge; the ability to apply knowledge in practice; intellectual and communication skills; professional values. A General Degree in Economics is required. This degree incorporates the Law, Taxation, Economics, Quantitative methods etc and also foundation Financial Accounting, Costing and Finance. The IRRCG grants exemptions from all but the core subjects of Financial Accounting, Cost and Management Accounting, Corporate Finance. The faculty curriculum coverage and examination of non-core subjects may not be harmonized with IRRCG specific curriculum requirements but is considered sufficiently similar to satisfy the IRRCG exemption policy. The written examinations are uniform for all students, given simultaneously, developed and administered under adequate security conditions, objectively graded with qualified staff. The professional body provides the final examination. The final examination is classified as sustainable.

Applicants for professional education must hold a General Degree in Economics from Faculty of Economics. Majority of students take only single subject in each

cycle-2 cycles per year-as all are in fulltime employment. Average duration is total of 2 years. Education program is organized and managed by IRRCG Education Manager. Education providers are selected by IRRCG from pool of successful examinees from previous exam cycle. Educational material consists of International Text Books and Case Study material translated into local language by USAID funded project. Professional education is classified as sustainable.

International program requirements are defined in the IFAC International Education Standards. Comparison with the actual situation leads to the following conclusions.

Accounting, Finance and Related Knowledge is classified as sustainable. International Financial Reporting Standards (IFRS), International Standards on Auditing (ISA) and the IFAC Code of Ethics are covered. Organizational and Business Knowledge has material deficiencies in Corporate Governance, Business Ethics, Financial Markets, Management and Strategic decision Making, and in International Business and Globalization. Information Technology is classified as sustainable. Overall skills, values, ethics and attitudes are classified as sustainable.

Practical experience required by law: three years before admission to membership (the three years must be supervised experience in Audit Public Practice for purpose of Audit License). No stipulation as to when this experience must take place-before, during or post final qualifying examinations. No detailed scope of experience stipulated nor is supervisory and evaluation procedures neither designed nor monitored. Development of practical training requirements is urgent. As all existing accountants and auditors complete the re-certification process, the quality of accounting/auditing expertise in the workplace will improve and thus the quality of the supervised practical training will improve. Providers of practical training are classified as sustainable.

ANNEX 3.8 Overview CAFR - Romania

Professional Body	Chamber of Financial Auditors from Romania (CAFR)
Professional Title	Financial Auditor (AF)
Country Respondent	Dr. Laurentiu Dobroteanu, Secretary General
External Evaluator	Bill Phelps and Dennis Mitchem
Country	Romania

General Views

Romania has made significant progress toward meeting international standards and EU 8th Directives. The Chamber of Auditors has played a key role for auditors in Romania. While relatively new, CAFR is working closely with the government and World Bank to strengthen its important role in building a strong competent audit profession. However, it encounters some impediments with respect to the legal framework, a review of the examination infrastructure, building brand loyalty with all stakeholders, and reviewing the mentoring program. The right building blocks are present, however, there is need for improvement.

Priorities

- Three important legal changes would accelerate the professional development effort. One is the seven years to complete the practical/professional training, which serves as a barrier to entry. As Romania continues to expand its market economy the demand for accounting services will increase potentially faster than supply. Two is the requirement that all businesses with 50,000 or greater euros in turnover file financial statements with Minister of Finance. This is a very low threshold. Three is the legal requirement to comply with IFRS yet published regulatory rules and regulations that modifies IFRS.
- A study group should be activated, with a balance between academics and practitioners, to review and implement the IFAC "An Advisory on Examination Administration". With today's spotlight on ethics and values, the whole examination infrastructure - test contents, security, grading, etc. is under close review. This Advisory is very well done and merits close consideration.
- The stakeholders include government, individual practitioners, universities, small and large audit firms, and corporations. Since the "brand" is new, certain stakeholders place more faith in certification by ACCA or CPA than CAFR. Building the CAFR "brand" by engaging all stakeholders increases credibility and sustainability of CAFR.
- The 75-day mentoring program, while admirable, may create supply problems for auditors in the future as the Romania market economy grows. A study group should be established to look at a 5-year plan of supply and demand and address any perceived shortfalls. The accounting profession, world wide, is faced with shortages that may become more acute as Public Oversight Boards expand in number and power.

Benchmarks

Professional Characteristics confirm the progress that already has been made. CPD and Qualification Standards should be further developed.

Accounting, Finance and Related Knowledge is being developed. Specific attention is needed for Management Accounting and Control and for Professional Values and Ethics.

In the area of Organizational and Business Knowledge specific attention in cooperation with the universities should be given to Corporate Governance, Business Ethics and Organizational Behavior.

Specific attention is needed for Professional Education and Practical Training in Skills, Values, Ethics and Attitudes.

Details

The accountancy sector in Romania is regulated by law and by professional self-regulation. The Chamber of Financial Auditors from Romania (CAFR) is recognized as a regulatory and a disciplinary body. CAFR is in the process of joining IFAC.

Members of CAFR work in public practice, industry and commerce, and government. CAFR has both individuals and firms as members. The existing membership situation is classified as sustainable. New members are admitted to CAFR membership after an interview and three years of practice in Romania. CAFR will have its own examination starting in 2005. The number of new members is adequate at this time but must increase in 2005 and onward to meet demand. The new membership situation is classified as sustainable but requires careful monitoring.

Membership of the professional body is mandatory. The chamber sets CPD regulations in conformity with IFAC IES 7. The Chamber supervises CPD courses under supervision. They are free of charge for members but charged for trainees in the financial audit activity. Attendance in CPD courses under supervision of the Chamber is mandatory and checked by the Department for Admission and Professional Education. The CPD requirement is 20 hours supervised by CAFR and 20 hours from other sources. The Chamber selects both the commercial companies that organize the CPD courses and the lecturers. A large proportion of the lecturers are academic. The financial auditors must file an annual report that is subject to monitoring by the Chamber. The trainees must file a special report, which is monitored twice a year. The system of CPD has material deficiencies with respect to the variety of courses.

Admission requirements as a member of CAFR include a formal final examination of professional competence, prescribed programs of professional education and practical training. The professional body is responsible for standard setting for the qualification. IFAC International Education Standards and EU Directives will be

followed. Qualification standards are classified as sustainable. There is no international recognition of the CAFR qualification. The ACCA qualification is recognized based on an agreement between CAFR and ACCA. The regulation of the Chamber in this area is under revision to recognize the professional title granted by IFAC member bodies. There are material deficiencies in international recognition of the CAFR qualification.

In 2003 the majority of new members had a degree in economics. Under this degree are specialties in accounting, management, IT, finance, marketing, agriculture economics and macro/micro economics. A minority of the new members had a general university degree. Exact figures are not available, as all new members have been admitted on the basis of an ACCA qualification. Input from higher education is classified as sustainable.

Calendar year 2005 will be the start of the CAFR examinations. The Chamber organized two final examinations for access to the profession in October 2000 and June 2001. This followed the rules on grandfathering according to the EU 8th Directive. The objective of the final examination will be to test theoretical knowledge, the ability to apply knowledge in practice, intellectual skills, IT applications and professional values. The actual program for the final examination is not yet available. As stated it will follow IFAC IES and EU Directives. The examinations will be uniform for all students, given simultaneously, developed and administered under adequate security conditions and objectively graded by qualified staff. The curricula and the subjects are decided by the Chambers' Council in conformity with the Chambers' regulation. The examinations will be prepared by academics. Because of the newness of the examination program it is an opportune time to closely review IFAC's "An Advisory on Examination Administration".

Admission requirements to the final examination cover professional education, practical training and general education. In order to become a professional financial auditor, an individual must have a university degree, and 4 years experience in finance or accounting, or must be an expert accountant or licensed accountant with a university degree in economics. After an admission test this is followed by a three years period of training under the supervision of a financial auditor, member of the Chamber concluded with a final examination for the access to the profession. During practical training the trainees must have 25 hours per year of theoretical courses organized under supervision of the Chamber. For the core program of professional education IFAC IES 1-6 are applicable. Universities provide professional education as part of degree programs. Professional education is classified as sustainable.

International program requirements are defined in the IFAC International Education Standards. Comparison with the actual situation leads to the following conclusions:

- There are material deficiencies in Accounting, Finance and Related Knowledge. International Financial Reporting Standards (IFRS), International Standards on Auditing (ISA) and the IFAC Code of Ethics are covered. There

are critical deficiencies in Management Accounting & Control and in Professional Values & Ethics.

- Organizational and Business Knowledge has material deficiencies that reflect the present development of the market divided in two "sections": foreign companies benefiting from experience from abroad and domestic companies. Deficiencies are concentrated in Corporate Governance (urgent), Business Ethics (critical) and Organizational Behavior (critical). The development of Information Technology in professional education is classified as sustainable. There are material deficiencies in intellectual skills and in technical and functional skills. There are material deficiencies in skills, values, ethics and attitudes.

Admission requirements for practical training: university degree in economics and four years experience in the financial accounting or expert accountant or licensed accountant with university degree in economics; pass a written test for the access to the training period. Practical training requirements: three years practical training under the supervision of a financial auditor, member of the Chamber. Main areas: accounting, auditing, and optional areas (one third of the practical training required) finance, taxation, IT, other related disciplines. The trainees must have 75 days per year practice and 25 hours theoretical courses under the supervision of the Chamber. Practical training and practical training providers are classified as sustainable, although the law requires an unusual long training period compared with EU and IFAC requirements.

ANNEX 3.9 Overview CECCAR - Romania

Professional Body	Body of Expert and Licensed Accountants of Romania (CECCAR)
Professional Title	Expert Accountant, Licensed Accountant
Country Respondent	Dr. Marin Toma, President
External Evaluator	Bill Phelps and Dennis Mitchem
Country	Romania

General Views

CECCAR has played a leadership role for accountants in Romania. With several decades of operation, CECCAR has a professional staff, organization, facilities, and membership base for sustainability to meet the challenges of complying with international standards and EU compliance. However, it encounters some impediments with respect to the legal framework, wider array of CPD courses, content and instruction, and a review of the examination infrastructure. The right building blocks are present, however, there is need for improvement.

Priorities

- Three important legal changes would accelerate the professional development effort. One is the seven years to complete the practical/professional training, which serves as a barrier to entry. As Romania continues to expand its market economy the demand for accounting services will increase potentially faster than supply. Two is the requirement that all businesses with 50,000 or greater euros in turnover file financial statements with Minister of Finance. This is a very low threshold. Three is the legal requirement to comply with IFRS yet published regulatory rules and regulations that modifies IFRS.
- CPD is a core source of competency building. With over 19,000 members, the ability to keep up with the emerging issues, the demands of a diverse group of experts and licensed accountants (with differing needs), and need for greater revenue to sustain CECCAR will require more emphasis on marketing, course content, trainers.
- A study group should be activated with a balanced representation of academics and practitioners to ensure that the CPD content and the examination material test both the theory and practical application of the examinee.
- A rigorous regime is needed for disciplining substandard and unethical work by accountants/auditors. A structure is in place but closer scrutiny is needed to be proactive in searching out substandard work and following up with fair, thorough investigation where the penalties are commensurate with the infractions.
- Similarly a study group should be activated to review and implement the IFAC "An Advisory on Examination Administration". With today's spotlight on ethics and values, the whole examination infrastructure - test contents,

security, grading, etc. is under close review. This Advisory is very well done and merits close consideration.

Benchmarks

Professional Characteristics confirm the progress that already has been made. CPD and Qualification Standards should be further developed.

Accounting, Finance and Related Knowledge is being developed. Specific attention is needed for Management Accounting and Control and for Audit and Assurance.

In the area of Organizational and Business Knowledge specific attention, in cooperation with the universities, should be given to Corporate Governance, Business Ethics, Organizational Behavior and Marketing.

The area of Skills, Values, Ethics and Attitudes needs overall attention.

Details

The accountancy sector in Romania is regulated by law and by professional self-regulation. The Body of Expert and Licensed Accountants of Romania (CECCAR) are recognized as a regulatory and a disciplinary body. CECCAR is a member of IFAC and a member of CILEA, FEE, SEEPAD, FIDEF and FCM.

Members of CECCAR work in public practice, industry and commerce, government and in other areas. Members of CECCAR are expert accountants and licensed accountants. Expert accountants have a four-year college degree with a major in accounting or finance. The existing membership situation is classified as sustainable. New members work in public practice and in industry and commerce. The situation in regard to new members is also classified as sustainable.

Membership of the professional body is mandatory and CECCAR sets standards for CPD of its members. CPD is mandatory for all members. CPD is provided by CECCAR and by the universities. CECCAR facilities are too small but they have training facilities throughout the country. The CPD requirement is 120 hours in 3 years of which 20 hours per year must be at CECCAR monitored events; its member reports the rest to CECCAR. CECCAR provides to all professional accountants programs for professional development through the National Program for Continuing Professional Development. The program is based on IFAC IES 7. CECCAR sets up the training program, obtains the trainers and monitors the courses. More trainers are needed to teach a broader range of courses. Ministry of Education accredits CECCAR and reviews annually. There are material deficiencies in CPD with regard to the variety and number of courses.

Admission requirements as a member of CECCAR include a formal final examination of professional competence, prescribed programs of professional education and practical training. The government and the professional body are responsible for standard setting for the qualification. IFAC International Education Standards, EU Directives and OECD pronouncements are followed. Qualification standards are

classified as sustainable. The CECCAR qualification expert accountant is recognized in Canada, Australia and Italy subject to additional testing. Professional qualifications from all EU countries are recognized after passing an oral interview and an examination in Romanian law and tax. There are material deficiencies in international recognition of the CECCAR qualification.

All new expert accountants in 2003 have an accounting, finance or business university degree. Three out of ten universities in Romania offer an acceptable business curriculum that includes accounting, auditing, taxation, IT, managerial accounting and finance. There is still confusion with respect to tax law and financial accounting; the quality of training in IFRS is poor. Input from higher education is classified as sustainable.

The objective of the final examination is to test theoretical knowledge; the ability to apply knowledge in practice; intellectual, interpersonal and communication skills; IT applications and professional values. Final examination core program for expert accountants: case study of practice and IFRS and written examinations on ethics and oral on theory. The written examinations are uniform for all students. The Examination Committee consists of government representatives and members of CECCAR. The professional body provides the final examination. The examinations are developed by professors and by government staff. It would be beneficial to establish a study group to verify that the existing examination infrastructure follows in all material respects the IFAC "Advisory on Examination Administration".

Admission requirements to the final examination cover professional education, practical training and general education. Expert accountants must have a college degree, pass an entrance examination followed by three year practical training before the final examination. The entrance examination covers accounting, tax, law, auditing, valuation, ethics and financial controls.

Universities provide professional education for expert accountants as part of degree programs. Professional education during practical training is part time, 75 days per year under a mentor. Professional education is classified as sustainable.

International program requirements are defined in the IFAC International Education Standards. Comparison with the actual situation leads to the following conclusions.

- There are material deficiencies in Accounting, Finance and Related Knowledge. International Financial Reporting Standards (IFRS), International Standards on Auditing (ISA) and the IFAC Code of Ethics are covered. There are critical deficiencies in Management Accounting & Control and in Audit & Assurance.
- Organizational and Business Knowledge has critical deficiencies concentrated in Corporate Governance (urgent), Business Ethics (critical), Organizational Behavior (critical) and Marketing (critical). The development of Information Technology in professional education is classified as sustainable. There are material deficiencies in intellectual skills and in technical and functional skills.

There are critical deficiencies in personal skills, interpersonal skills, organizational and business management skills and in values, ethics and attitudes.

Passing an entry examination after degree is required for admission of future expert accountants to practical training. The duration of practical training is three years, with 400 hours of mentoring per year and every six-month an examination. Regulation for practical training is given in Government Laws and decisions on the organization of the accounting expertise and the access to the professions of expert and licensed accountants. There are material deficiencies in practical training.

Practical training is provided in public practice. CECCAR members are available as mentors. There are sufficient mentors for current trainees. The professional body recognizes providers of practical training. In regard to providers of practical training the system is classified as sustainable.

ANNEX 3.10 Overview SRRS - Serbia

Professional Body	Serbian Association of Accountants and Auditors (SRRS)
Professional Title	Accountant, Chartered Accountant, Certified Public Accountant
Country Respondent	Pero and Zoran Skobic, Senior Consultant International Relations
External Evaluator	Bill Phelps and Dennis Mitchem
Country	Serbia & Montenegro

General Views

Serbia has a unique position in the region with a long standing Serbian Association of Accountants and Auditors that has endured government instability and uncertainties. The SRRS has a strong countrywide base of facilities and programs. However, critical issues must be resolved as the region grows and market economies continue to grow stronger. The legal infrastructure needs improving with respect to the accounting profession, university accounting curriculum must be strengthened, greater involvement by all stakeholders must be addressed, and a review of the examination infrastructure should be undertaken.

Priorities

- The existing accountancy law is ambiguous with respect to the certifying authority—SRRS or the Ministry of Finance. This needs to be clarified.
- A study group should be activated, with a balance between academics and practitioners, to review and implement the IFAC “An Advisory on Examination Administration”. With today’s spotlight on ethics and values, the whole examination infrastructure - test contents, security, grading, etc. is under close review. This Advisory is very well done and merits close consideration.
- The stakeholders include government, individual practitioners, universities, small and large audit firms, and corporations. It is always difficult to have all stakeholders fully supportive of any professional body however, without cooperation of all stakeholders, the ability to function to improve the accounting profession and act as an effective advocacy partner toward legal reform is extremely diminished. Competition from outside associations and the eventual cross border trade in accountancy will dilute the authority and ultimate sustainability of SRRS.

Benchmarks

Professional Characteristics confirm the progress that already has been made. Qualification Standards and the input from Higher Education should be further developed.

Accounting, Finance and Related Knowledge is being developed. Additional attention is needed for Financial Accounting and Reporting, for Management Accounting and Control and for Audit and Assurance.

In the area of Organizational and Business Knowledge specific attention in cooperation with the universities should be given to Corporate Governance, Business Ethics and Financial Markets.

The area of Skills, Values, Ethics and Attitudes needs overall attention.

Details

The accountancy sector in Serbia is regulated by law and by professional self-regulation. The Serbian Association of Accountants and Auditors (SRRS) is recognized as a regulatory and a disciplinary body. SRRS is a member of IFAC and a member of SEEPAD and FCM.

Members of SRRS work in all sectors; public practice, industry and commerce, and government. Members of SRRS are accountants/accounting technicians (not included in the overview), chartered accountants and certified public accountants. According to latest information supply is balanced with demand, but there is insufficient numbers of professionals with adequate knowledge about IFRS and practical implementation. The existing membership situation is classified as sustainable. New members work in public practice, in industry and commerce, and government. The situation in regard to new members is also classified as sustainable although there is a need to increase members working in public practice.

Membership of the professional body is mandatory and SRRS sets standards for CPD of its members. The national standard on education prescribes CPD as mandatory for all members. CPD is promoted according to IFAC IES and because of changes and effects of the implementation of IFRS. The professional body provides CPD with different courses for the three levels. The Association provides through its organizational branches a wide range of seminars, symposiums, courses and training; members choose according to their needs. There is a lack of seminars with participation of foreign experts. The CPD requirement is 30 hours per year. The Committee for Education of the Association makes a periodical analysis and review of CPD. Members that do not take 90 hours of approved CPD in three years must retake the examination. There are material deficiencies in CPD linking the needs of the market.

Admission requirements as a member of SRRS include a formal final examination of professional competence, prescribed programs of professional education and practical training. The examinations are different for the three levels. Chartered Accountant, can work as an auditor but not sign an opinion, university degree + three years practical experience + SRRS examinations. Certified Public Accountant needs three years experience as a CA + additional SRRS examinations. The professional body is responsible for standard setting for the qualification. IFAC International Education Standards and UNCTAD Guidelines are followed. Qualification standards are classified as sustainable. There is reciprocal recognition of the qualification with SEEPAD member bodies. ACCA and CPA are recognized

after tax and law examination and audit experience. There are material deficiencies in international recognition of the qualification.

Academic requirements: Chartered Accountant – equivalent of university degree, Certified Public Accountant – university degree. University program: Financial Accounting 1 & 2 (year 1); Managerial accounting 1 & 2 (year 2); Analysis, Reporting and Internal Control 1 & 2 (year 3); Special Balances, Consolidations, Mergers, Liquidation (year 4), Ethics and Auditing. The input from higher education is classified as sustainable.

The objective of the final examination is to test theoretical knowledge; the ability to apply knowledge in practice; intellectual, interpersonal and communication skills; IT applications and professional values. Final examination core program is defined at three levels. The objective of the CPA examination is to test competences to perform independently the following activities: coordination of internal and external control and supervision; execution and coordination of external audit and preparation of audit reports; organization of team external/internal audit, control and supervision activities; preparing information for the management; evaluating strategic business performance with recommendations of certain measures aimed to improve the performance; identification of an adequate strategy based on the estimate of objectives and position of an enterprise and their impact on organization structures and activities; creating financial statements of complex business systems and situations; analyzing the financial statements and issuing pronouncements for different groups of users; preparing information for management with explanation and estimates of the effects of financial decisions; analyzing the significance of different financing sources for optimum decision-making; preparing analyses with an estimate of financial information, relating to past and future business conditions.

The written examinations are uniform for all students, given simultaneously, developed and administered under adequate security conditions, objectively graded. The Committee for Education of the professional body provides the final examination. The final examination is classified as sustainable. Admission requirements to the final examination cover professional education, practical training and general education.

Professional education core program: Chartered Accountant: PART I 1.1. Preparing Financial Statements 1.2. Financial Information for Management 1.3. Managing People PART II 2.1. Information Systems 2.2. Corporate and Business Law 2.3. Tax System 2.4. Financial Management and Control 2.5. Financial Reporting 2.6. Audit and Internal Review. Certified Public Accountant: PART I 1.1. Audit and Assurance Services 1.2. Performance management PART II 2.1. Strategic Business Planning and Development 2.2. Complex Corporate Reporting 2.3. Strategic Financial Management.

SRRS and commercial companies provide professional education. More international experience, either literature or courses with foreign lecturers would deepen the professional education experience of members. There are critical deficiencies in

professional education. International program requirements are defined in the IFAC International Education Standards. Comparison with the actual situation leads to the following conclusions.

- There are material deficiencies in Accounting, Finance and Related Knowledge. International Financial Reporting Standards (IFRS), International Standards on Auditing (ISA) and the IFAC Code of Ethics are covered. Organizational and Business Knowledge has material deficiencies concentrated in Corporate Governance (critical) and Financial Markets (critical). The development of Information Technology in professional education is classified as critical. There are material deficiencies in skills, values, ethics and attitudes.

Candidates need at least three years of practical experience in accounting at a level that corresponds with the qualification and under supervision of a holder of the professional qualification. SRRS monitors practical training. There are material deficiencies in practical training. Practical training is provided in public practice, industry and commerce and in government. National standard prescribes where practical training can be obtained. In regard to providers of practical training the system is classified as sustainable.

ANNEX 4 EU COMPARISON COUNTRIES

For each professional body in the comparison countries an overview is given of the professional qualification, education and training of accountants and auditors.

France, Germany and the United Kingdom

Country	Professional Body	Abbreviation
France	Ordre des Experts-Comptables	OEC
Germany	Institut der Wirtschaftsprüfer in Deutschland	IDW
United Kingdom	Association of Chartered Certified Accountants	ACCA
United Kingdom	Institute of Chartered Accountants of Scotland	ICAS

Czech Republic, Hungary and Poland

Country	Professional Body	Abbreviation
Czech Republic	Chamber of Auditors of the Czech Republic	CACR
Hungary	Chamber of Hungarian Auditors	CHA
Poland	National Chamber of Statutory Auditors	KIBR

ANNEX 4.1 Overview OEC 2005 - France

Professional Body	Ordre des Experts-comptables (OEC)
Professional Title	Expert-comptables
Respondent	Hélène Michelin, Director of Education
Country	France

French requirements on accounting rules are based on the Code de Commerce, company law and decrees, the Plan Comptable Générale (General Accounting Plan) and interpretations of the Comité d'urgence (Urgent Issues Committee) as applying to consolidated financial statements.

The accountancy sector in France is regulated by law and by professional self-regulation. OEC is recognized as a regulatory body and a disciplinary body. OEC is a member of IFAC and FEE.

Members of OEC work in public practice, industry and commerce, government and in other areas. Membership of OEC is mandatory to use the title. Continuing professional education is mandatory and is regulated by OEC.

Admission requirements as member of OEC include a formal final examination of professional competence, prescribed programs of professional education and practical training. Admission requirements: To obtain the diploma of expertise comptable and take the professional oath. The different accounting diplomas (preliminary, intermediate and higher levels) needed to access to the three-year training period and, in the end, to the final diploma of expertise comptable, are organized and delivered by the Ministry of Education. The professional body is involved in standard setting for the different stages of the curriculum and for the final examination.

OEC follows EU Directives and IFAC International Education Standards. The French curriculum complies with the Eighth European Directive and with the IFAC IES. The whole syllabus of the DPECF, DECF and DESCF is in accordance with the 8th European Directive concerning statutory auditors. The level of practical training is in line with the standards of IFAC and EU. International recognition of qualifications: Recognition through EU mutual recognition directive and with the French speaking countries. In general a special examination is required.

The objective of the final examination is to test theoretical knowledge and the ability to apply knowledge in practice. Final examination core program: The final examination includes 3 tests with no possible exemptions: (1) A thesis on a subject related to the professional domain; (2) A written test on the statutory and contractual auditing of financial statements; (3) An oral test related to the traineeship and covering professional knowledge in general. The government is the provider of the final examination. Examinations are subject to external review. The Ministry of Education provides the final examination. The professional body co-manages with the Ministry of Education the examination syllabus for the whole

curriculum. Professionals sit on the Examination Boards. The Ministry of Education supervises external review.

Admission requirements to the final examination cover professional education and practical training. To access to the final examination, candidates must obtain the higher accounting studies diploma, « Diplôme d'études supérieures comptables et financières », DESCF, and complete there theoretical education with the three-year training period. The full studies focus on accounting, auditing, law, tax, economics, business administration, and information technology.

Professional education core program: To succeed to a complete syllabus divided into 16 parts corresponding to 3 diplomas: - Diplome preparatoire aux etudes comptables et financieres, DPECF (preliminary accounting diploma); - Diplome d'etudes comptables et financieres, DECF (intermediate accounting diploma); - Diplome d'etudes superieures comptables et financieres, DESCF (higher accounting diploma). The whole curriculum requires a learning period of 8 years, including the three-year training period. Core program of professional education: DPECF (5 written tests): 1/ introduction to business law 2/ economics 3/ quantitative methods, mathematics and statistics 4/ accounting 5/ French and foreign languages. DECF (7 written tests): 1/ business law and tax law 2/ credit law, labor law and contentious law 3/ organization and management 4/ financial management 5/ mathematics, statistics and information technology 6/ financial accounting and auditing 7/ management accounting and management control DESCF (2 written tests and 2 oral tests): 1/ accounting and law 2/ accounting and management 3/ economics (oral) 4/ discussion on a report of 6 - week practical training period (oral) DEC (3 examinations): 1/ written test in audit to insure that the candidates have the ability to make a decision (to certify or not the financial statements) and to discuss a complex situation 2/ oral test, experience assessment 3/ discussion of a thesis which test the ability to perform research, autonomy in thinking, and the ability to carry out self education.

Admission requirements for professional education: Baccalaureate level (final exam of the high school normally taken at the age of 18). Students don't need any specialized education and training background to be admitted in a professional education institute.

Universities and private schools provide professional education. Necessary expertise and resources are available. The leading professional education institute for the professional accounting examinations is the Institut national des techniques économiques et comptables, (INTEC). The main centers are located in Paris; regional centers provide courses throughout the country and abroad. Business schools offer also courses. Many accountants and auditors specialists in subject matter teach at the INTEC, business schools or private centers. OEC is represented at the board of INTEC. The professional body does not provide professional education. The professional body is in charge of the three-year training period.

Practical training content: Candidates must obtain the higher accounting studies diploma, DESCF, (5 years after the Baccalaureate) before registration as trainee.

This includes the six-week practical training period necessary for the DESCF. Full – time three-year traineeship (part time in a few circumstances). Two years at least in a professional accountancy or audit firm located in France or in EU. Monitoring by a qualified professional (mentor). Trainees typically work on a variety of accounting, auditing and taxation assignments. - 8 specific one-day seminars/year. Half of these seminars focus on technical matters, the other half deal with ethical rules and professional standards. - Delivery of 4 written reports on the practical activity.

OEC expects for the near future major developments in professional education.

ANNEX 4.2 Overview IDW 2005 - Germany

Professional Body	Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW)
Professional Title	Wirtschaftsprüfer (WP)
Respondent	Wolfgang P. Böhm, Special Advisor to the Executive Board, IDW
Country	Germany

German accounting requirements are based mainly on the Commercial Code (HGB). In addition, the standards of the German Accounting Standards Committee published by the Ministry of Justice represent Principles of Proper Accounting for consolidated financial statements. Companies whose securities are listed on exchanges may apply IAS or US GAAP to the extent that these comply with the 4th and 7th EU Directives in place of German accounting requirements in their consolidated financial statements. Pursuant to new regulations by the European Commission, as of 2005 publicly listed enterprises must apply IFRS to their consolidated financial statements. Enterprises that are not publicly listed that are required to prepare consolidated financial statements under the Seventh Directive may apply IFRS rather than German Principles of Proper accounting under an option of the EU incorporated in German Law by the German government.

The accountancy sector in Germany is regulated by law and by professional self-regulation. In the Wirtschaftsprüferordnung (Law Pertaining to the Profession of Wirtschaftsprüfer), the government has established the Wirtschaftsprüferkammer (WPK) to meet the oversight, professional examination and enforcement requirements of the profession (both Wirtschaftsprüfer and vereidigte Buchprüfer) as a whole and to monitor the fulfilment of professional obligations. The Institut der Wirtschaftsprüfer (IDW), as a private organization, does not have official government sanction, but the IDW does issue professional standards that are considered to be generally accepted by the profession. Both the IDW and the WPK are members of IFAC and the IDW (but not the WPK) also of FEE. A law recently issued by government establishes a new public interest oversight body (APAK, or Statutory Financial Statement Auditor Oversight Commission) to ensure that the public interest is taken into account in the oversight and enforcement processes of the profession.

The accountancy profession is divided into a number of separate professions from a legal point of view. Wirtschaftsprüfer (WP) is allowed to perform statutory audits of all kinds of entities of all sizes and also to provide public tax advice, accounting services and limited legal advice. Vereidigte Buchprüfer (vBP) is allowed to perform statutory audits of only mid-sized GmbH's and also to provide public tax advice, accounting services and limited legal advice. Steuerberater (StB) are allowed to provide public tax advice and accounting services. Rechtsanwälte (RA) may also provide public tax advice and accounting services in addition to all kinds of legal advice. Professional accountants in industry and public sector are not organized into a profession, but accounting technicians in industry (Bilanzbuchhalter) are. WP, vBP and StB are all in public practice, they may not engage in a commercial business, nor be an employee of a commercial business or a government. Government

accountants are a separate profession under government regulation. The same applies to auditors in the Rechnungshöfe (Auditors General) of the federal and state governments.

Full membership in the IDW is limited to Wirtschaftsprüfer, hence all full members of the IDW work in public practice. IDW membership is not mandatory; however the membership of WPK is mandatory. Continuing professional education is mandatory for all members.

Admission requirements include a university degree, practical training and a formal final examination of professional competence. Law in the Wirtschaftsprüferordnung fixes the entrance requirements for the qualification.

International standards: the education and training requirements set by law meet the requirements of the EU 8th Directive; processes are currently being established to determine compliance with the IFAC International Education Standards. The IFAC International Education Standards have therefore not been officially implemented yet, but this does not mean that the requirements in Germany do not comply with these Standards, only that no formal process to determine compliance has been completed yet. International recognition of qualifications: Recognition of the professional qualification from Germany under the 8. EU Directive in other EU member states is by means of a mutual recognition examination. The recognition of the corresponding qualification from all other EU member states is also achieved by a mutual recognition examination.

Objective final examination: to test theoretical knowledge; the ability to apply knowledge in practice; intellectual and communication skills; professional values. Communication skills are tested as part of the oral examination. Final examination core program: Accounting, Financial Statement Audit, Other Audits, Business Administration, Economics, Business Law, Tax Law. The government regulates the final examination, which is set and administered by an Examination Commission under the administrative competence of the WPK. Examinations are not subject to external review. The Examination Commission comprises Wirtschaftsprüfer, university professors, civil servants, and a representative from industry.

Admission requirements to the final examination cover practical training and general education. Professional education core program: A university degree in business administration or law recognized in Germany (e.g. Diplom-Kaufmann, etc.) and the final examination is required. The legally required minimum duration for the university is eight semesters (four years), but the majority takes ten to twelve semesters (five to six years). Alongside this one-tier system, a two-tier system leading to a Bachelor after 3-4 years and a Master after another 1-2 years has been recently introduced. The degree need no longer be in business administration or law.

There are no additional professional educational programs required. The additional examination tutoring usually requires an additional one to two years of part-time study during the period of practical work experience. The IDW and commercial

companies provide professional education (tutoring). Necessary expertise and resources are available. Private organizations offer professional education in preparation for the WP-Exams in addition to the IDW. In addition, many accounting firms offer examination preparation courses to their employees, with varying time commitments. The period of time varies according to the nature of the program. Professional bodies and most of the commercial organizations have the necessary expertise and resources available.

Practical training content: A candidate with a university degree must complete at least three years of practical experience (two of which in a Wirtschaftsprüfungsgesellschaft primarily in the area of statutory financial statement audit before being admitted to the final examination. The Wirtschaftsprüfungsgesellschaften have the expertise and resources to provide the practical training required. The WPK recognizes the Wirtschaftsprüfungsgesellschaften.

Priorities for future development: A new law has strengthened the required CPD for members. Qualification standards and higher education: The main priority of the IDW is to help ensure that qualification standards for entry into the profession maintain high quality. To this effect, model curricula are being developed for degree programs in business administration leading to entry into the profession. Examination, education and training: Current priorities include the amendment of the examination requirements so that some credit is given for courses completed at universities in general business administration and law. Furthermore, the content of the examinations has recently been updated to include international standards. The IDW and WPK participation in the Common Content Project will mean that processes to determine compliance with the requirements of the project will need to be established and consultation with stakeholders will need to take place. Furthermore, the detailed requirements for national content will need to be developed and the integration of the common content into the current paths to the profession investigated. Compliance with new IFAC IES: Processes are currently being established to determine compliance with IFAC IES, even though there is currently no reason to believe that, on the whole, the current education program does not comply.

ANNEX 4.3 Overview ACCA 2005 - UK

Professional Body	Association of Chartered Certified Accountants (ACCA)
Professional Title	Chartered Certified Accountant (ACCA)
Respondent	Michael Walsh, Director, ACCA
Country	Global with Headquarters in the United Kingdom

UK statutory requirements on accounting rules are based on the Companies Act 1985, and comply with EU Directives. The Act states that disclosure should be made as to whether accounts have been prepared in accordance with applicable accounting standards. Accounting standards issued by the Accounting Standards Board and its Urgent Issues Task Force are applicable for the purposes of this Act.

The accountancy sector in the UK is regulated by law, by professional self-regulation and by an independent regulator. The Association of Chartered Certified Accountants (ACCA) is recognized as a qualifying body and a supervisory body. ACCA operates under a Royal Charter granted by the Privy Council. This covers the holding of examinations. The examinations are also recognized under the Companies Act in respect of Registered Auditors (in other countries national statutes may apply). ACCA is a member of IFAC and FEE and an associate member of CAPA, ECSAFA and AFA.

Members of ACCA work in public practice, industry and commerce, government and other areas. ACCA membership is mandatory to use the designator title. Membership is also mandatory if candidates wish to be Registered Auditors and hold a Practicing Certificate from ACCA. Continuing Professional Development (CPD) is mandatory for practicing certificate holders and is regulated by ACCA. Mandatory CPD is being phased in between 2005 and 2007 for all members.

Admission requirements as a member of ACCA include a formal final examination of professional competence, prescribed programs of professional education and practical training. ACCA's examinations have to be at least at degree level in regard to Registered Auditors. ACCA in fact sets the same standard for all its members.

ACCA follows EU Directives and IFAC International Education Standards. ACCA is recognized under the European Union's Mutual Recognition Directive. The ACCA qualification is also fully recognized in the legislation of many other countries around the world e.g. in Hong Kong, Malaysia, Singapore, the Caribbean, and many countries in Africa. ACCA is also recognized for the purpose of registration as an auditor or liquidator under Australia's Corporation Act. ACCA recognizes qualifications from other countries including EU Member States plus Iceland, Norway and Switzerland, also Australia, Canada, Hong Kong, New Zealand, South Africa, Zimbabwe, and certain States in the US. Various conditions apply.

Objective final examination: to test theoretical knowledge; the ability to apply knowledge in practice; intellectual, interpersonal and communication skills; ICT applications; professional values. Key skills are examined as part of the written examinations and training programs. Final examination core program: ACCA's

membership qualification includes 14 written examinations divided into three parts. The final part consists of three core papers plus two papers chosen from four options. ACCA is the provider of the final examination. Examinations are subject to external review. All the examinations are organized by ACCA. ACCA's examiners set the standards of the examinations on a uniform basis worldwide and assess all candidates on the same criteria.

Admission requirements to the final examination cover professional education, practical training and general education. To register as a student of ACCA's professional scheme a candidate must be at least 18 years of age and hold the minimum qualification for entry to a UK degree program. Holders of higher qualifications may attract exemptions from some of ACCA's examinations (not for Part 3 - the final part of 5 papers).

Professional education core program: The examinations papers cover the following: 1.1 Preparing Financial Statements; 1.2 Financial Information for Management; 1.3 Managing People; 2.1 Information Systems; 2.2 Corporate and Business Law; 2.3 Business Taxation; 2.4 Financial Management and Control; 2.5 Financial Reporting; 2.6 Audit and Internal Review; 3.1 Audit and Assurance Services; 3.2 Advanced Taxation; 3.3 Performance Measurement; 3.4 Business Information Management; 3.5 Strategic Business Planning and Development; 3.6 Advanced Corporate Reporting; 3.7 Strategic Information Management.

Universities and commercial companies provide professional education. Necessary expertise and resources are available. Students study at public and private sector colleges, by distance learning, or by home study. ACCA publishes a textbook and a distance-learning program through one of the private sector colleges. There are about 250 colleges, which offer tuition for ACCA courses in the UK and a comparable number outside the UK. ACCA also has a virtual learning site at ACCAdemy.com. Tuition is provided by qualified academics. Outside the UK there are shortages of qualified teachers in some developing countries.

Practical training content: Candidates require a minimum of 3 year's practical experience. This can be obtained before, during or after the examinations and in any (combination of) employment sector - industry, commerce, public practice or the public sector. ACCA lays down standards of competence for membership in a Students Training Record. Assessments by supervisors are subject to a sample check by ACCA. For Registered Auditors: 3 years experience in a company audit environment including 2 years after membership in an approved training office under a qualified principal (other national legislation may apply outside the UK). ACCA's Student Training Record covers: Financial Information, Business Analysis and Measurement, Taxation, Statutory Audit, Internal Review and Consultancy, Asset Management, Business Growth and Development, Manage Information Systems, Manage People. A separate Practising Certificate Training Record for Registered Auditors covers: Professional Conduct, Accounting, Business Advice, Development and Measurement, Taxation, Business Assurance and Internal Review, Management and Audit.

ACCA expects for the near future major developments in regulation of the profession, professional qualification requirements, professional education and practical training. There will be developments in all these areas mainly driven by market demand and the demands of regulators. The Public Oversight Board for Accountancy in the UK and the Compliance Advisory Panel within IFAC will lead to more independent regulation of the profession in the UK and more global regulation internationally. Market demand will lead to an expansion of accountancy qualifications to include both more generalist subjects as well as more specialist options but based on the traditional accounting core. Accountancy training will become more uniform internationally.

ANNEX 4.4 Overview ICAS 2005 - Scotland

Professional Body	Institute of Chartered Accountants of Scotland (ICAS)
Professional Title	Chartered Accountant (CA)
Country Respondent	Professor C. Mark Allison, Executive Director of Education
Country	United Kingdom

UK requirements on accounting rules are based on the Companies Act 1985, as amended for EU Directives. The Act states that disclosure should be made as to whether accounts have been prepared in accordance with applicable accounting standards. Accounting standards issued by the Accounting Standards Board and its Urgent Issues Task Force are applicable for the purposes of this Act.

The accountancy sector in the UK is regulated by law and by professional self-regulation. The Institute of Chartered Accountants of Scotland (ICAS) is recognized as a regulatory body and a disciplinary body organized under a Royal Charter. The government of the UK must approve ICAS rules. ICAS operate under by-laws approved by the Council, representing the members; applying these rules. Responsibility of the Professional Body includes education provider, training organization, and examination setter. ICAS is a member of IFAC and FEE.

Members of ICAS work in public practice, industry and commerce, government and in other areas. ICAS membership is mandatory. Continuing professional development will be mandatory for all members from January 2006 and is regulated by ICAS. Currently CPD is obligatory for all members and mandatory for those in public practice and in public interest functions.

Admission requirements as member of ICAS include a formal final examination of professional competence, prescribed programs of professional education and practical training. A CA Student shall be eligible for admission to membership after completion of the prescribed period of approved service as a CA Student; fulfillment of his obligations under Rule 28; passed the various parts of the Institute's Examination; applied for admission within one year from the date of passing his final examination, or from the date of completion of service under Training Contract whichever is the later.

ICAS follows EU Directives and IFAC International Education Standards. International recognition of qualifications through reciprocal agreements with specific institutes in England, Ireland, New Zealand, Australia, Canada, South Africa, Hong Kong and through the EU Mutual Recognition Directive.

The objective of the final examination is to test theoretical knowledge and the ability to apply knowledge in practice (50% technical and 50% communicative in a case study format). Final examination core program, see syllabus and past examination papers. ICAS is the provider of the examination. Examinations are subject to annual external review and consequent impact on examination approach. The examination must meet UK Company Law requirements for auditors.

Admission requirements to the final examination cover professional education, practical training and general education. Prospective CA Students will have established the Preliminary Qualification for registration to the satisfaction of the Council. They must produce evidence that they are: holders of a "fully-accredited" degree; or holders of a "qualifying" degree; or members or student members who have passed all the relevant examinations, of the following accountancy bodies - The Association of Chartered Certified Accountants; The Chartered Institute of Management Accountants; individuals who have satisfied membership requirements of the Association of Accounting Technicians; have worked in a financial environment for at least seven years; and have their work experience attested by a Member of the Institute.

Professional education core program: Attendance at compulsory ICAS classes and completion of the education program. This requires a three/four year university degree plus a three-year training contract during which students follow up to 26 weeks of full time ICAS classes.

Admission requirements for professional education: Qualifying Degree holders will be required to take the Institute's Test of Competence Course and Examinations during the first year of their Training Contract before proceeding to the Test of Professional Skills and Test of Professional Expertise. Exemptions will be given for individual Test of Competence Examination subjects accredited within the degree. Candidates may not attempt the Institute's Examination unless they are serving under a Training Contract, or have completed their required service there under, in an Approved Training Organization.

Professional body, universities and commercial companies provide professional education. Necessary expertise and resources are available as accountants deliver all ICAS education. There is a three level system: At Level 1 education is offered by each of the professional body, university and commercial company. At Levels 2 and 3 education is only offered by the professional body.

Practical training content: At least 450 days experience excluding study holiday and administration. Achievement of competency standards in personal, IT, communication and technical areas per the Achievement Log. The minimum period of Approved Service shall be three years.

Priorities for future development

IFAC expects the following major developments:

- European Common Content Project involvement and integration of material.
- IFAC Education Standards and Guidelines particularly IES 8 (Auditing).
- Development of the work experience log (Achievement Log) integrating more personal, communication, and ethical competencies.
- The creation and development of a standalone ethics module for students.

- Modularization of the major technical content at Level 1 and Level 2 allowing students to follow the subject matter in different orders.

None of the above five items are urgent, critical or material rather they are developments to continue to improve the relevance of the CA qualification and therefore would fall under sustainable system per the GAEB project benchmarks.

ANNEX 4.5 Overview CACR 2005 – Czech Republic

Professional Body	Chamber of Auditors of the Czech Republic (CACR)
Professional Title	Auditor, accountant
Respondent	Professor Bohumil Král, Chairman of the Pre-qualification Education and Exam Ct, CACR
Country	Czech Republic

Czech requirements on accounting rules are based mainly on the Act on Accounting, the Chart of Accounts and the Accounting Procedures of the Ministry of Finance.

The accountancy sector in the Czech Republic is regulated by law and by professional self-regulation. The Chamber of Auditors of the Czech Republic (CACR) is recognized as a regulatory body and a disciplinary body. CACR is a member of IFAC and a corresponding member of FEE. The Chamber of Auditors is founded and a substantial part of its activity is regulated by the Act on Auditors. Internal professional directives of CACR regulate the parts that are not regulated by law. The activities of the Union of Accountants, the second professional body in the Czech Republic, are regulated by professional self-regulation. Both the Chamber and the Union are members of IFAC.

Members of CACR work in public practice. CACR membership is mandatory. Continuing professional education is mandatory according to internal professional regulations and is regulated by the profession. Law protects the professional title 'auditor'. Law does not protect the professional title 'accountant'; membership of the Union of Accountants is important to show quality. Due to an Act passed four years ago auditors have to work in public practice. The only exemption concerns with university teachers.

Admission requirements to the profession include a formal final examination of professional competence, a program of professional education and a prescribed program of practical training. The pre-requisite of the entrance to the profession of auditor (general university degree – 3 year Bachelor degree) is required by Act on Auditors. The pre-requisite of the entrance into the Certification and Education System of Czech Union of Accountants is general higher education – it is required by internal professional requirements. The general standards and the Exam Order are stated by Act on Auditors and by Edict of Ministry of Finance. The Chamber of Auditors concretizes the structure, content and other requirements of the exams. Union of Accountants: Standard setting is in the full authority and responsibility of the professional body.

International standards: CACR follows EU 8th Directive, IEG #9 and 11, UNCTAD Guideline and International Education Standards. International recognition of qualifications: The second stage of the Certification and Education System of the Union of Accountants (Bilancní účetní) is compatible with the "Bilanzbuchhalter" in Germany, Austria and Switzerland. The qualification of "Accounting Expert" is recognized by 8 exams of the ACCA Professional Qualification in Great Britain. Auditors from other countries and applicants for the qualification of Accounting

Auditors practicing in other EU countries must pass the so called "Differential Exam" that is concentrated on the national environment of accounting, law and taxes.

Objective final examination: to test theoretical knowledge; the ability to apply knowledge in practice; ICT applications; professional values. Final examination core program: The final exam consists of 9 written and a final oral exam. Written exams: (1) Macro- and Microeconomics; (2) Financial Accounting; (3) Management Accounting; (4) Business Combinations and Consolidated Accounts; (5) Business, Civic and Financial Law; (6) Taxation; (7) Corporate Finance; (8) Quantitative Methods and Information Technology; and, (9) Auditing.

Theoretical knowledge is verified in all areas of exams. Ability to apply the knowledge in practice mainly in the exams from Auditing, Corporate Finance, Financial and Management Accounting and Business Combinations and Consolidated Accounts. ICT Applications mainly in the sixth written exam. Knowledge and practical experience are incorporated into all above stated areas.

Government, professional body and university co-operate in the final examination. CACR examinations are subject to external review. Teams prepare the written exams from Academia and practice. The oral exam runs in front of the Exam Committee in which participate two members from the Ministry of Finance and two members either from Academia or auditors from practice. The Ministry of Finance officers are the chairmen and members of the Oral Exam Committees. The written exams are reviewed only on request of an applicant.

Admission requirements for the final examination cover general education. Professional education is offered but is not mandatory. Practical experience is mandatory for practice but it does not have to be finished before the final examination.

Professional education core program is compatible with the structure of written and oral exam.

Admission requirements for professional education are possession of a 3-year university degree. CACR provides professional education. CACR operates the Institute of Education, in collaboration especially with the University of Economics, Prague. All guarantees of the exams and also most of the lecturers work as the professors of the University of Economics, Prague.

Practical training content: According to the Act on Auditors any new member must work as Assistant Auditor for three years. The Auditor Guideline of the Chamber that specifies the content of this "Managed Practice" summarizes this practical experience. There are no admission requirements before the start of practical training. Practical training takes place in public practice. Necessary expertise and resources are available with auditing firms and auditors that are looking for future employees, partners or collaborators. The Chamber manages the List of Auditors.

CACR expects for the near future major developments in professional education and practical training. The Education Committee of CACR would like to prepare conditions to extend the education of the auditors by interpersonal and communication problems, and by auditing techniques in the ICT environment. New Act on Auditors specified the new pre-condition for the entrance of the profession - to realize three-year practical experience as an assistant auditor. The main target connected with the pre-condition is to prepare detailed list of practical skills and experience that would create the basis of managed traineeship in the auditing companies and that would be also verified by CACR on more concrete basis (nearly finished).

ANNEX 4.6 Overview CHA 2005 - Hungary

Professional Body	Chamber of Hungarian Auditors (CHA)
Professional Title	Registered Auditor (HRA)
Respondent	Fekete Katalin, Vice-President of CHA
Country	Hungary

Detailed law has regulated Hungarian accountancy sector since 1991 (current law was accepted in 2000.). The law contains both principles and regulations. According to the Act on Accounting, governmental decrees regulate the accounting details of special enterprises (banks, stock exchanges, insurance institutions, foundations, pension funds, etc.). Hungarian accounting regulation is to be changed, Standard Committees were established in 2004, and the developing of IAS/IFRS based Hungarian accounting standards begun in 2005. The development will take several years. Two major challenges appear in accounting education: students have to be prepared for the application of international accounting standards and national accounting standards as well, when developed.

Statutory audit is required according to the act on accounting and the company act. Statutory audit as well as licenses, operation and membership of CHA, conditions of education and qualification of auditors and the independence of auditors is regulated by the Act 55 of 1997 on the Chamber of Hungarian Auditors and auditing activities, which is based on EU's 8th Directive. The Act declares CHA as a self-governing regulatory body.

The Chamber Act (CHA) and the Activity of the Auditors endowed the following functions to the Chamber: licensing of performing auditing activities, registering the auditors, publishing information on member statutory auditors and recorded professional firms. The Supervisory Board examines the regularity of the Chamber's activities. The Minister of Finance exercises legal supervision over the Chamber.

CHA is a member of IFAC and FEE; its regulations (regarding ethics, admission, quality control etc.) harmonize with the international requirements. New Hungarian Standards on Auditing were introduced in 2001 adopting ISAs. These standards are regularly updated according to the changes of ISA. The CPD training supports application and knowledge of these standards.

Members of CHA work in public practice, industry and commerce, government and in other areas. CHA membership is mandatory. It means that only registered auditors are allowed to perform statutory audit, only as a full time job. Large parts of CHA's members are in a suspended status. Suspended members are registered members of CHA- they are either employed by an other non audit firms or work in public sector, and are not allowed to perform statutory audit.

Continuing professional education is mandatory for all members (including suspended members) and is regulated by CHA. CPD education consists of 24 learning hours a year of which 16 learning hours are organized by CHA's Education

Committee, the remaining 8 hours must be fulfilled by taking part on professional conferences, training - within the frameworks of a credit system.

The membership terms of CHA is also regulated by Chamber Act of 1997. In order to become a member of CHA one must qualify as an auditor, then obtain three-year professional experience as an auditor assistant, in the framework of the mentor system of the Chamber. Only a natural person can become a member of the chamber, but CHA registers audit firms as well. Audit firms are allowed to conduct statutory audit only after registering to CHA.

The Act declares the practice of mutuality. "If the international contract does not clarify the mutual acceptance of statutory auditor qualification acquired abroad, mutual practice will be published by the Minister of Finance in accordance with the Minister of Foreign Affairs after consulting CHA. For those, who have statutory auditor qualification according to EU directives it is enough to have one year of practice acquired in Hungary, while at the examinations idiosyncrasies of Hungarian law must be tested." In practice the possibility for mutual acceptance has not been applied yet.

The pre-qualification system is controlled by the OKKB (Qualifying Committee of Chartered Accountants), of which the Minister of Finance appoints members. The subjects of pre-qualification program are stated in the Chamber Act. CHA is responsible for the examinations; exams consist of oral and writing parts.

For the entrance to the auditor education program university or college degree of business, accounting and finance is required, followed by at least three-year experience in the field of accounting or finance. The pre-qualification program consists of the following subjects: Law, Organization and Management, Finance and Management Accounting, IT, Auditing and Controlling. The total education program consists of 520 hours and lasts about two years.

Professional bodies, universities and training companies provide professional education. CHA invites tenders for providers. It is the duty of the OKKB to control the education.

Summarizing the requirements in Hungary for becoming a registered auditor:

- University or College degree
- Three years of professional experience
- Participation in two-year education program, qualifying as an auditor
- Three years of practice within our mentor system following the auditor's qualification

When the law was modified, quality control requirements of the chamber entered into force. The Hungarian Quality Control Regulations are based on the EU recommendations. The system is a mixture of monitoring and peer-review (monitored peer-review). Via quality control the application of auditing standards is controlled, CHA's Quality Control Committee organizes the investigations. Quality

controllers are selected on the basis of tenders. Training is provided yearly for their preparation and further education. Sanctions harmonize with European standards, including the possibility of withdrawal of membership.

In Hungary, beside the legal supervision, there is no public oversight. Government is planning introduction, but measures can be taken only following the 8th directive entry into force. EU's 8th directive requires renewal of the Chamber Act of 1997, since the new directive deals with companies of public interest and international co-operation in detail.

Possible ways of development in the field of education are: (1) IFAC's Education Standards have been translated into Hungarian recently. Next task will be adoption of these standards, i.e. national professional educational / further educational system must be updated and amended according the requirements of IES; (2) the subjects of auditors' education are being reviewed now. Auditing and Controlling needs improvement while in the subject of accounting IAS must be emphasized. While adopting EU's 8th directive and renewing the Chamber Act the requirements and subjects of professional auditors' education must be harmonized with the directive where necessary.

ANNEX 4.7 Overview KIBR 2005 - Poland

Professional Body	National Chamber of Statutory Auditors (KIBR)
Professional Title	Auditor
Respondent	Joanna Placzek, International Development
Country	Poland

Polish requirements on accounting rules are based on the Commercial Code, the Law on Accounting and decree on consolidation rules. The Polish Securities and Exchange commission regulates the format of the financial statements and disclosure for public companies.

The accountancy sector in Poland is regulated by law and by professional self-regulation. The National Chamber of Statutory Auditors (KIBR) is recognized as a regulatory body and a disciplinary body. KIBR is a member of IFAC since November 2001 and of FEE since December 2002. Starting from November 2001 KIBR representatives have started participating in the activities of 3 FEE Working Parties (Accounting, Auditing and Ethics). After becoming an ordinary member of FEE, KIBR representatives participate also in works of FEE Council and European Auditing Standard Setters.

Members of KIBR work in public practice, industry and commerce, government and in other areas. KIBR membership is mandatory. Continuing professional education is mandatory for all members and is regulated by KIBR.

Admission requirements as a member of KIBR include a formal final examination of professional competence, prescribed programs of professional education and practical training. Admission to the final exam will be granted only to those candidates who meet the general requirements, who have passed all the professional exams and who have successfully finished a three-year practice in Poland, including at least two years of practice under an auditor's supervision, which has been approved by Examinations Committee.

International standards: KIBR follows the EU 8th Directive and other EU regulations, if applicable. International recognition of qualifications: According to the Art. 5, par. 2 of the Law on Auditors and their self-governing body: Registration on the roll of Statutory Auditors may be obtained by auditors - Polish citizens or, on the basis of mutual recognition, not Polish citizens - who are in possession of qualifications to practice as an auditor granted abroad, recognized by member countries of the European Union or of the European Free Trade Association (EFTA) - a party of the Agreement on the European Economic Area (EEA), after having passed the Polish Economic Law exam before the Examinations Committee, in the Polish language. This prescription does not violate regulations concerning employing foreigners in Poland.

No recognition has been achieved of the KIBR qualification in other countries. (KIBR has not such information) Qualifications gained in the UK (ICAEW, ICAS, and ACCA), in Denmark (Beskikkelse Som Statsautoriseret Revisor), in Netherlands

(NIVRA) have been recognized in Poland. Candidates had to pass the Polish Economic Law exam (in the Polish language).

The objective of the final examination is to test theoretical knowledge and the ability to apply knowledge in practice; intellectual, interpersonal and communication skills; ICT applications; professional values. Final examination core program: The final exam is an oral exam and tests the experience gained during practice as well as theoretical knowledge in the areas of financial accounting, economics and management, civil law, labor law, economic law, tax law, finance, cost accounting and management accounting, financial statements and analysis of financial statements, auditing and other services rendered by auditors. The professional body is the provider of the examination. KIBR examinations are not subject to external review. Final examination is organized by the Examinations Committee (established by National Council of Statutory Auditors). Members of the National Council of Statutory Auditors can participate in the exam as observers.

Admission requirements to the final examination cover professional education, practical training and general education.

Professional education core program: The core program of professional education includes 10 subjects: financial accounting - part 1; economics and management; civil law, labor law, economic law; tax law - part 1; finance; tax law - part 2; financial accounting – part 2; cost accounting and management accounting; financial statements and analysis of financial statements; auditing and other services rendered by auditors.

Admission requirements for professional education: In order to be allowed to take professional exams candidates must have a university degree. Exemptions are possible from the following subjects included in the core program of professional education: financial accounting - part 1; economics and management; civil law, labor law and economic law; tax law - part 1; finance; cost accounting and management accounting. The candidate must have presented his/her exemption request application, passed the university exam or equivalent with at least the mark 'good' and the Examinations Committee must have approved the curriculum as containing all important professional education curriculum issues; the exams must have been written and marked anonymously. The period between passing an exam and presenting the application is not longer than 3 years. In exemptions matters, the National Council of Statutory Auditors signs agreements with particular universities, after having consulted the Examinations Committee. KIBR has signed such an agreement with Warsaw School of Economics so far.

Professional body, universities and commercial companies provide professional education. Necessary expertise and resources are available.

Practical training content: Candidates must have three years of practice in Poland, including at least a two-year practice under an auditor's supervision. They can start the first year of practical experience straight away; practice under supervision of an auditor can be started only after a candidate has finished the first year of practical

experience and after he/she has passed 7 out of 10 professional exams. The first year of practical training includes independent bookkeeping, computerized system of bookkeeping in accordance with the Accounting Law regulations, knowledge of internal regulations. The two-year practice includes reviewing audit documentation with regard to the documentation's completeness, correctness and consistency; technical work and selected audit work together with audit documentation and preparing lists of documents; participating in auditor's activities connected especially with audit planning, choice of methods and sampling, analysis of company's equity, company's financial and income position and checking whether the company acts in compliance with law regulations; participating in auditing of at least two annual financial statements and independent documenting of all activities assigned to the candidate by auditor, preparing proposals of audit report and of auditor's opinion; full audit of an annual financial statement under supervision of an auditor, preparing complete audit documentation, preparing proposals of auditor's opinion, audit report and letter to management of the company audited.

KIBR expects for the near future major developments in regulation of the profession, professional education and practical training. New subjects include, overview of the role of enterprises; managers' interpersonal capabilities; better introduction to becoming a listed company; modern means of management. better training and education; globalization issues; preparing better quality training materials for candidates for auditors, including international and globalization issues; and, the role of enterprises in economy; banking systems; insurance systems. The major developments are expected when the modernized 8th EU Directive is implemented. Therefore, amendments to Polish regulations will be made in compliance with new requirements.

ANNEX 5 PROJECT ORGANIZATION AND CURRICULUM VITAE

CARANA Corporation is the contractor for the GAEB project and has final responsibility towards USAID as the principle sponsor. CARANA has formed an expert team for the GAEB project under the direction of CARANA and supervision of USAID.

USAID Supervisor:	A. David Meyer, J.D., M.B.A., Office of Economic Growth, United States Agency for International Development
CARANA Contractor:	R. William (Bill) Phelps, Executive Vice President Global Operations
Principle Investigator:	Dr. Gert H. Karreman, Consultant, Global Accountancy Education

Resource Team:

Members of the CARANA resource team played leadership roles in the original GAE project and have extensive experience in the development of the accountancy profession in both the EU and in Central and East Europe. In addition to USAID requirements the professional relevance and academic quality of the GAEB project is reviewed by the GAE Network Board that monitors GAE follow up activities.

Professor C. Mark Allison
Director of Education, Institute of Chartered Accountants of Scotland, United
Kingdom

Professor Alain J. M. Burlaud
Conservatoire National des Arts et Métiers, France

Professor Ian F. Y. Marrian
Former Chief Executive and Secretary, Institute of Chartered Accountants of
Scotland, United Kingdom

Michael Walsh
Director, Association of Chartered Certified Accountants, United Kingdom

Local experts, who have up-to-date knowledge of the present situation, conduct the self-assessment. External and independent evaluators validate the results of the country assessment. This approach helps to achieve internal relevance and external credibility. Professional body respondents and External Evaluators included:

Country	Abbrev.	Professional Body Respondents	External Evaluators
Albania	IEKA	Hysen Cela	Sonila Bicaku
Bosnia-Herzegovina	AAARS	Vladislav Djurasovic	Liam Coughlan
Bulgaria	ICPA	Gavril Gavrilov and Daniela Petrova	Bill Phelps and Dennis Mitchem
Kosovo	SCAAK	Ardiana Bunjaku	Jan Tyl
Macedonia	AAFA	Miov Nikolaki	Ivan Kitinov
Moldova	ACAP	Marina Shelaru	Gert Karreman and Bill Phelps
Montenegro	IRRCG	Zoran Todorovic	Brendan McCole
Romania	CAFR	Dr. Laurentiu Dobroteanu	Bill Phelps and Dennis Mitchem
Romania	CECCAR	Dr. Marin Toma	Bill Phelps and Dennis Mitchem
Serbia	SRRS	Pero Skobic and Zoran Skobic	Bill Phelps and Dennis Mitchem

Comparison Country Respondents

Country	Abbrev.	Professional Body Respondents
Czech Republic	CACR	Bohumil Kral
Hungary	CHA	Fekete Katalin
Poland	KIBR	Joanna Placek
France	Ordre	Helene Michelin
Germany	IDW	Wolfgang Bohm
United Kingdom	ACCA	Mike Walsh
United Kingdom	ICAS	Mark Allison

Short CV's CARANA and Resource Team

Gert Karreman was Director of Education, Royal NIVRA (1979 – 1998) and Programme Director, Royal NIVRA*Nijenrode University (1993 – 1998). International experience includes implementation of the EU 8th Directive and the Directive on the Mutual Recognition of Higher Education Diploma's in the Netherlands, contribution to the development and implementation of International Guidelines on Accountancy Education as technical advisor to the IFAC Education Committee (1995 – 1998) and participation in European Union projects. From 1999 – 2003 Gert Karreman was project director of the EIASM Global Accountancy Education research project.

Bill Phelps, CPA, CFE, is a Certified Public Accountant and Certified Fraud Examiner with many years experience in international accounting, corporate governance, and international economic development. He has held positions as Senior Audit Manager for an international accounting firm; Chief Financial Officer of a commercial bank and international consultant. Bill Phelps currently is Executive Vice President Global Operations for CARANA Corporation, a firm that operates internationally under contract from donor agencies to assist in economic development in transition and emerging countries throughout the world. He has served on numerous corporate boards, lectured on topics ranging from corporate governance and ethics to bankruptcy and privatization.

Mark Allison is the Executive Director, Education of ICAS and has been an education director from 1993. Mark Allison is technical advisor to the IFAC Education Committee since 1998 and is a visiting professor to the Robert Gordon University, Scotland. IFAC involvement has centered on the development of the first IFAC International Education Standards. Mark Allison is also a member of the European Common Content project and has carried out accounting education development and benchmarking in a number of countries.

Alain Burlaud is a full professor at the Conservatoire National des Arts et Metiers since 1994. Previously he filled similar positions at other French universities. Alain Burlaud has an extensive experience on academic and professional issues relating to the accountancy profession and participated in international projects. Academic appointments include being vice-president of the IAAER (1993-1997). He is the French representative on the IFAC Education Committee.

Ian Marrian was Chief Executive and Secretary of ICAS in 2003 and 2004. He is visiting professor of the department of Accounting & Business Method, University of Edinburgh. From 1995 – 2003 Ian Marrian was Deputy Chief Executive and Secretary. He was director of education of ICAS from 1981 to 1995. Before that he was senior accountant, manager and partner at Deloitte, Haskins & Sells in Rome, Edinburgh and London (1969-1981). Ian Marrian contributed to the international development of accountancy education and research in a number of countries around the world.

Mike Walsh is Director of ACCA since 1994. He is involved in policy development and representing ACCA in public forums. Mike Walsh revised ACCA's professional qualification and introduced International Accounting Standards into the syllabus. Outside appointments include the IFAC Education Committee and the United Nations Consultative Group on a Global Accounting Qualification. He was director of education and student affairs, as well as head of practice regulation and technical services at ACCA. Before that he held several positions as senior research officer.

Short CV's External Evaluators

Sonila Bicaku ACCA, is Manager-Audit and Assurance in for Deloitte & Touche's Technology, Media and Telecommunication Group in Tirana, Albania. She has presented seminars on IFRS, and worked with complex restatement of financial statements to IFRS. She is a graduate of the University of Tirana, Economic Faculty, with a Bachelor Degree in Finance.

Liam Coughlan BBS, FCCA, ACMA is Chief of Party of USAID's Accounting Reform project in Bosnia & Herzegovina and head of the BiH Commission for Accounting and Auditing Standards, and has worked in Bosnia since 2002. Educated in Ireland, Liam Coughlan has worked in capacity building and professional accounting body development roles in Southern Africa, the Caucasus and Central Asia for ten years. He also worked for ACCA in two roles, developing ACCA programs and partnerships in China, Africa, North America and Australasia, and as head of ACCA in Ireland.

Gert Karreman was Director of Education, Royal NIVRA (1979 – 1998) and Programme Director, Royal NIVRA*Nijenrode University (1993–1998). International experience includes implementation of the EU 8th Directive and the Directive on the Mutual Recognition of Higher Education Diploma's in the Netherlands, contribution to the development and implementation of International Guidelines on Accountancy Education as technical advisor to the IFAC Education Committee (1995 – 1998) and participation in European Union projects. From 1999 – 2003 Gert Karreman was project director of the EIASM Global Accountancy Education research project.

Ivan Kitinov is Chief Executive Officer of Agropod AD Resen, a multi-segment business company, numbering over 600 employees. With over 30% of sales being exports, the company is also one of the larger exporters in Macedonia with representative offices throughout the Balkan countries. Ivan Kitinov's academic background is in finance and economics; he is an ACCA member and holds an MBA from Swinburne University, Melbourne, Australia. He has over 14 years of experience primarily in financial advisory services in Germany, Australia and Central Eastern Europe. He has worked for PricewaterhouseCoopers, Deloitte & Touche and was active as a visiting professor in Macedonia.

Brendan McCole, FCCA, MBA is a consultant to several accounting reform projects. He has worked in Montenegro for over three years primarily in assisting with advancing the accountancy profession. He has served as a Senior Lecturer at Rhodes University in South Africa, consultant throughout Africa and Balkans and Director of the Centre for Accounting Studies, Lesotho. He has an MBA from Heriot-Watt University, Riccarton, Edinburgh.

Dennis Mitchem is a retired audit partner of an international accounting firm. Serving over 40 years in public accounting, he has audited, advised and assisted clients in numerous business sectors. He has served on the Boards of the local society for CPAs and at the AICPA. He currently serves as Chairman of the Audit Committee of a large public company.

Bill Phelps, CPA, CFE, is a Certified Public Accountant and Certified Fraud Examiner with many years experience in international accounting, corporate governance, and international economic development. He has held positions as Senior Audit Manager for an international accounting firm; Chief Financial Officer of a commercial bank and international consultant. Bill Phelps currently is Executive Vice President Global Operations for CARANA Corporation, a firm that operates internationally under contract from donor agencies to assist in economic development in transition and emerging countries throughout the world. He has served on numerous corporate boards, lectured on topics ranging from corporate governance and ethics to bankruptcy and privatization.

Jan Tyl is Chartered Accountant (CND), retired Licensed Auditor (CZ) and co-founder SCAAK. Over twenty years in public accounting, operations management, international reporting, institutional development, budgeting, training development and delivery, contract negotiating, project management, cash management, and marketing. Experience from North America, Central/Eastern Europe while working with Touche Ross, Deloitte and Touche, Auditor General of Alberta (CND), Price Waterhouse (Prague), Grant Thornton (Managing partner Prague), World Bank, USAID and EAR projects.

ANNEX 6 ABBREVIATIONS

AAARS	Association of Accountants and Auditors in the Republika Srpska
AAFA	Association of Accountants, Financial Workers and Auditors of the Republic of Macedonia
ACAP	Association of Professional Accountants and Auditors of the Republic of Moldova
ACCA	Association of Chartered Certified Accountants
CACR	Chamber of Auditors of the Czech Republic
CAFR	Chamber of Auditors in Romania
CAP	Country Action Plan
CARANA	CARANA Corporation
CECCAR	Body of Expert and Licensed Accountants of Romania
CHA	Chamber of Hungarian Auditors
CPD	Continuing Professional Development
DOSA	Discussion-oriented Organizational Self-assessment Method
EIASM	European Institute for Advanced Studies in Management
EU	European Union
FCM	Fédération des Experts Comptables Méditerranéens
FEE	Fédération des Experts Comptables Européens
FIDEF	Fédération Internationale des Experts-comptables Francophone
GAE	Global Accountancy Education
GAEB	Global Accountancy Education Benchmarking
GATS	General Agreement on Trade in Services
IAAER	International Association for Accounting Education and Research
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IASCF	International Accounting Standards Committee Foundation
ICAS	Institute of Chartered accountants of Scotland
ICPA	Institute of Certified Public Accountants in Bulgaria
IDF	Institutional Development Framework Toolkit
IDW	Institut der Wirtschaftsprüfer in Deutschland
IEG	International Education Guideline
IEKA	Albanian Institute of Authorized Chartered Auditors
IEP	International Education Paper
IES	International Education Standard
IFAC	International Federation of Accountants
IFAC EDCOM	IFAC Education Committee
IFRS	International Financial Reporting Standards
IRRCG	Institute of the Association of Accountants of Montenegro
ISA	International Standards in Auditing
KIBR	National Chamber of Statutory Auditors
OEC	Ordre des Experts-comptables
RAP	Regional Action Plan
SCAAK	Society of Certified Accountants and Auditors of Kosovo
SEEPAD	South Eastern European Partnership on Accounting Development
SMO	Statement of Membership Publications

SRRS	Serbian Association of Accountants and Auditors
UNCTAD	United Nations Conference on Trade and Development
UNCTAD MC	UNCTAD Model Curriculum
USAID	United States Agency for International Development
WTO	World Trade Organization

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